# Daily Report

# East Europe

FBIS-EEU-94-143
Tuesday
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# Daily Report
## East Europe

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**NOTICE TO READERS:** All material in this volume previously disseminated in electronic form.
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## Butrus-Ghali Recommends UNPROFOR Withdrawal

*LD2507211094 Belgrade TANJUG in English 2039 GMT 25 Jul 94*

[Text] New York, July 25 (TANJUG)—U.N. Secretary-General Butrus Butrus-Ghali has recommended to the Security Council the withdrawal of the U.N. Protection Force (UNPROFOR) from former Yugoslavia and its replacement by NATO or a combined force set up for the purpose.

## Further on Withdrawal Proposal

*AU2507175194 Paris AFP in English 1743 GMT 25 Jul 94*

[Text] United Nations, July 25 (AFP)—UN Secretary General Butrus Butrus-Ghali said Monday [25 July] he was willing to hand over implementation of a peace plan for Bosnia to the contact group trying to broker a peace deal.

In a letter to the UN Security Council, a copy of which was obtained by AFP, Butrus-Ghali said he would be willing to transfer implementation of the plan to the contact group if the warring parties accepted it. But he also warned that he would recommend a withdrawal of UN peacekeepers from Bosnia if the warring parties rejected the peace plan and the international community decided to take further military action.

He cited the possible creation of new safe havens in Bosnia, or a lifting of the international arms embargo against all the warring parties.

The contact group on Bosnia comprises Britain, France, Germany, Russia and the United States.

## New Prosecutor on War Crimes Court Priorities

*AU2207163694 Paris AFP in English 1612 GMT 22 Jul 94*

[Text] The Hague, July 22 (AFP)—The international war crimes tribunal on former Yugoslavia will give priority to bringing to justice suspects held responsible for the worst human rights abuses, the court's new prosecutor said here Friday [22 July].

South African Judge Richard Goldstone, who takes over the post August 15, told journalists his priority concerning the fledgling court's first defendants would be "to go against the people who on the evidence appear to be responsible for the most serious human rights abuses."

Questioned on the relative guilt of those who ordered and those who carried out abuses, he added: "My own personal view is that people who order serious human right offences... are more culpable even than those people who carry out those orders."

He added that he expected the court—officially known as the International Tribunal for the Prosecution of War Crimes in Former Yugoslavia—to charge its first defendants before the end of 1994. He said it was well known that certain suspects were already under lock and key in various countries but did not specify names. But he stressed he considered it would be a mistake to focus on preparing cases against suspects simply because they were in custody.

Goldstone's deputy, Australian Graham Blewitt, told the press conference that to date no investigators had been sent into the former Yugoslavia. There had been none available to send, although that was to be remedied with the first trips there likely in the near future, he said. In addition, witness statements had had to be gathered from many refugees in different parts of the world, Blewitt said.

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## Article Views Perry's Balkan Tour

*AU2507111494 Tirana RILINDJA in Albanian 23 Jul 94 p 2*

[Article by Ruzhdi Demiri: "The End or William Perry"]

[Text] Strange political paradoxes are occurring in southeastern Europe, which foreigners baptized with the name the Balkans, and which in centuries to come will be a synonym for political disaster. The tangle of the Balkan crisis that has resulted in several years of war is finally being concluded with the tying up and unraveling of this war, two processes that are taking place simultaneously, thus adding to the paradoxes of the Balkans. Now that Karadzic's Serbs are supposed to respond to the ultimatum of the Contact Group, even the politically naive understand that the Serbs are now legally, politically, and militarily tidying up their definitive control of the Serb lands west of the Drina. Nevertheless, at the same time as the fashioning of this Serbian "creation" is concluded, the steps that the relevant international bodies are taking to unravel the Balkan tangle are also bringing to an end the dreams of a greater Serbia. This seems to be shown by the many ultimatums issued by the European Union, The United Nations, the United States, NATO, and other bodies about not changing Bosnia-Herzegovina's external borders.

William Perry's visit within one week to Romania, Bulgaria, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], Greece, and Albania, from where he went to Bosnia-Herzegovina and thence to Italy, may testify both to the tying up and the unraveling of the Balkan crisis. These visits are evidence for the theory that the international community is taking decisive steps to solve the Balkan question and to put a final end to Balkan wars. In almost all these countries, the U.S. secretary of defense declared to his hosts his support for deeper military cooperation, which implies the training and exchange of specialists, U.S. aid in technology and other equipment for the armies of these countries, and especially telecommunications equipment, etc. During his Balkan tour, William Perry was decisive in his statements. In Macedonia, he informed the public that "Macedonia is a basis for stability in the region, and the stability of the region is of importance for security and peace in the whole world."

Meanwhile at meetings with the military and state leadership in Albania, the U.S. defense secretary talked about intensifying cooperation between the two countries' armies and the situation in the region, at the same time confirming the U.S. view of the good relations between the two countries with compliments that Albania is advancing further than all the countries of the east in realizing its political, economic, and military reforms. Perry's talks with his hosts in Athens are the best evidence for those who believe that the international community will never allow the creation of a greater Serbia. According to the media, these talks made special mention of "cooperation and the creation of special relations among Romania, Bulgarian Albania, and Skopje, within the context of the cooperation in Partnership for Peace." Perry asked Papandreou and Greek Defense Minister Arseni for Greece to offer the proper assistance to this initiative of cooperation. As expected, the Greek side did not refuse this, as Serbian press reports on the talks in Athens state.

Translated into the language of politics, and considering the importance of Perry's post and the strength of the state he represents, this military representative's Balkan tour bears out the views of analysts who state that the current war is in fact taking place for the south of the Balkans, in order to preserve and strengthen Belgrade's ties with the Aegean, even though its victims fell in Sarajevo and Gorazde and other areas where the war escalated into major bloodshed. According to this view, it might be concluded that the war in the west has been waged in order to cause havoc in the south of the Balkans, through which pass all the vital and irreplaceable arteries connecting Europe with Africa and Asia. However, the demand for cooperation within the context of Partnership for Peace and for "special ties" among Romania, Bulgaria, Macedonia, Albania, and Greece conclusively rejects the demands of militaristic circles and Serbian statist political circles for the revival of Dusan's empire and the creation of strong ties between Belgrade and Athens, which would result in the emergence of Serbia on the Aegean Sea through the Morava and Vardar valleys and lead to its total control of communication and trade with Africa and Asia. The social ties and cooperation among these states that surround Serbia, as demanded by the international community (and it can be supposed that Perry spoke in the name of many international institutions), are an additional argument to suggest that the international community will not tolerate any further delay in settling the crisis in the area of the former Yugoslavia. Not only will Serbian statist policies be frustrated in their desire for access to the Aegean, but Serbia will be watched and controlled by the embargo, and its economic ties with the countries of the Black sea basin and other regions will be broken.

An anecdote from William Perry's news conference in Skopje can best suggest the attitude of the United States and other international factors to border changes and to the importance of the region. Asked by journalists where the map of Macedonia was to be found in the Pentagon, whether in the rooms where maps of countries of particular importance are kept, or in the Pentagon's offices dealing with countries of no special importance for the United States, William Perry replied briefly, "The map of Macedonia is in my office." This curt reply from the U.S. defense secretary confirms claims that Serbia cannot expand by a single step toward the south. After the war and the settlement of the question of Bosnia-Herzegovina, which in all probability will retain its internationally recognized borders, the Serbs on the left bank of the Drina River, together with Serbia, will control a lot of territory to the west of this river. Serbia will have various ties with Bosnia-Herzegovina, as with Croatia, but in all probability greater Serbia will not be created.

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With the loss of natural resources and industrial capacity and with the recognition of the sovereignty of Bosnia-Herzegovina, Belgrade's ties with the western Serbs will be qualitatively much weaker, and with the passage of time will become a heavy burden on Belgrade, especially when one bears in mind the ring encircling this people, and Serbia in particular. Besides the loss of the ties with Europe that exist via the "Brotherhood and Unity" highway that passes through Zagreb, Serbia will be prevented once and for all by the international community from penetrating to the south toward the Aegean and the Black Sea. Morally, this may be a major defeat for Serbian statist policies, which will lose their direct link with Greece, their friend and sole natural ally, but will remain stuck at the base the Serbs have created beyond the Drina River. Until a final solution, the international community will be obliged to replace the UNPROFOR [United Nations Protection Force] forces with those of NATO, as some in the West have demanded.

However, there will, in all probability, be no escalation of the war in the south. This is also a guarantee for Kosova to achieve political and juridical recognition. However the political and state authorities of the Republic of Kosova must be better prepared and must choose the best way in which to secure the best possible form of this political status for Kosova. The start of Albanian-Serbian dialogue could be much closer than anyone thinks. Albanian politicians must be far more aware of this, and must make every preparation with a high degree of professionalism, in order to secure an adequate level of political and juridical recognition for Kosova. This will also need better organization and further professional consolidations of the state authorities of Kosova.

The Balkan crisis is concluding with its general tying up and disentanglement. Otherwise, in all probability, instead of a conclusion, the peoples of the Balkans will be faced with William Perry.

## Commentary Sees Perry Visit as 'Most Important'

*AU2607093094 Tirana REPUBLIKA in Albanian 24 Jul 94 p 1*

[Commentary by Elida Bucpapa: "Two Days After William Perry's Departure"]

[Text] William Perry has just left Albania to continue his trip from Bosnia to Turkey. However, if we throw a retrospective glance at all the many diplomatic visits to Albania, his visit can justly be described as one of the most important ones. The presence of the Pentagon's number one man in Albania, is the first great and concrete step in instituting relationships between our two armies and countries, marking at the same time an important achievement for Tirana's policy.

In the post-communist chaos of the 1989-1992 period, there was a permanent danger of history repeating itself, forcing Albania to once again fall prey to the orthodox policy, the traumas of which we are still experiencing today, as we experience its legacy. The choice of the VIP was of essential importance to Albania. Emerging from the ruins, Albania could not get back on its feet, relying any more on its own forces, though its geographical position is of particular importance. It must undoubtedly become the zone of influence of somebody and his friends. Albania's policy today is crystal-clear, unequivocal, and without eclecticism, a fact that Mr. Perry's visit confirmed totally. The Albanian Army had never before tested itself, but thanks to the Albanian state's wise policy, it passed the two-year-long test successfully.

Naturally, it would be absurd to expect political pronouncements to be made at news conferences, however many people would see Mr. Perry's expressed "impressions" as not being only his personal opinions.

Albania, for the first time in its modern 20th-century history, was visited by the Pentagon's commander in chief. Being in an indicative mood, this sentence lacks the rhetoric of narration, but the fact itself implies the real importance it has for the benefit of Albania, for which fate, up to the end of this century, had laid in store a historical destiny, of which we, ourselves, have been accomplices, and this must not be forgotten.

## Parliament Deputy Views Rising Value of Lek

*AU2507141494 Tirana ALEANCA in Albanian 23 Jul 94 p 4*

[Article by Gramoz Pashko, Democratic Alliance Party, AD, parliamentary deputy: "How the Currently Rising Value of the Lek in Albania Should Be Understood"]

[Text] In recent months there has been an evident strengthening of the Albanian currency and a significant fall in the exchange rate of other currencies, especially the dollar, the drachma, etc. The U.S. dollar, which traded on the currency market at 107 leks six months ago, has fallen to 91 leks, i.e. has been devalued by 15 percent. However, what seems most paradoxical is that the strengthening of the lek on the currency market has not been accompanied by a strengthening of its purchasing power, and it is also odd that the lek has risen higher than other European currencies. What is strangest of all is that the currencies of other economies in transition like our own, although showing much better performances than the Albanian economy, are moving in an entirely opposite direction. In March this year, in contrast to the lek, the Czech koruna was devalued by 1 percent compared with the previous year, the Polish zloty by 23 percent, and the Hungarian forint by 15 percent. At the same time, the economies of these countries increased their currency reserves and exports to an extraordinary degree. This implies that this phenomenon has been left to the haphazard caprices of the Albanian market. Worse, no determined policy is evident, perhaps out of inertia, or perhaps because of the lack of instruments with which to operate.

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However subjective my interpretation may seem, the first question requiring an answer is whether this rise of the lek against the dollar is an expression of the increasing strength of our economy. Is this increase a result of the devaluation of the dollar and speculation against it on the international market, or is it a phenomenon specifically linked to the Albanian markets? Is it linked With the current inflation rate, or not? What are its consequences for short- and medium-term economic trends? What policy should be implemented in this case?

I would first of all say that it is difficult to detect in our case a direct link between our economic growth and the increased purchasing power of our currency in comparison with other currencies. Put simply in the language of the marketplace, the fall in the dollar and the rising lek presuppose a greater demand for leks than for dollars, or a falling demand for dollars. What consequences does this have for an economy like ours that survives mainly on consumer goods imported for foreign currency?

If we were to stand by the naive theory that the rising lek expresses the increasing strength of our economy, we would have a significant improvement in the balance of trade in favor of exports, implying that foreign customers buy more in Albania than they sell, which would mean a greater demand for leks. According to this logic, this would be reflected in investments in Albania, in investments in export industries, or services that attract foreign currency. However, in the last two years, Albania has had, on average, only six dollars of foreign investment per person, at a time when the Czech Republic has had $75, Slovenia $70, Hungary $130, and even Kazakhstan $15 per person.

It seems that one factor that the falling demand for foreign currency because of falling imports has been influencing this process. It is well known that Albania would almost starve on its domestic production, and survives today virtually entirely on imports. Every month, we import four or five times what we export, or, to make a comparison, we import today more than we imported in 1989, but export one-fifth of what we exported then. A relative decline in imports is evident in 1994 compared with 1993.

Political factors have also exerted an influence. According to unofficial customs information, there has been an almost 30 percent decline in imports in recent months, especially from Greece, which can also be explained by the deterioration of relations with Greece. The results are fewer foreign currency remittances from refugees and greater difficulties for Albanian traders operating in Greece.

The fall in the rate of the dollar can also be explained by domestic reasons, such as the introduction of a new customs and tax discipline, which has scared and restrained traders. There is nothing secret any more about the fear that has gripped traders. It seems that the customs and taxation discipline has become harsher than necessary. There has also been a restructuring of demand. Today, more quality goods than articles of mass consumption are in demand, and more services than ready-made products. The lack of the structural reforms that are so necessary at this period makes it impossible for the market to respond to these fluctuations, however marginal they may be.

To enter more deeply into this argument, I would say that in the meantime, our economic policy remains stuck at the macroeconomic measures taken two years ago in order to establish an equilibrium in the budget and to restrain inflation. The Albanian economy has emerged from the emergency phase, and the budget deficit has been reined in to a certain extent to 11 percent of the cross national product last year and is expected to be lower this year. It is an undeniable fact that inflation was limited to about 30 percent last year and has been continuing at a more or less similar rate this year. High interest rates have to some extent stemmed the haemorrhage caused by the domestic debts of enterprises. A rigorous stabilizing policy has accomplished its mission, and there is no reason to justify further carving it in stone out of blind obedience to the parameters of the IMF. The tendency to restrain monetary expansion, however favorable for consumers, also has negative consequences for traders and producers, and simultaneously restrains further economic expansion, discourages the risking of capital, and leads to the saturation of the market that is evident today. However harmful inflation may be, at certain times, and especially when an economy has started to grow again, it encourages the movement of capital and the restructuring of the market.

In this context, the rise of the lek against the dollar is not a phenomenon that should fill us with excessive enthusiasm. A more liberal policy must be introduced without delay. A weakening of the lek, within controllable limits, would favor exports and would implicitly encourage Albanian production. But what must be done?

First, there must be liberalizing reforms of trade and the tax system in order to encourage rather than restrain the expansion of business.

Second, the Central Bank must be turned into a genuine central bank able to perform its role in controlling the currency and knowing when and to what extent to intervene; this means, at the moment, buying foreign currency and selling leks, increasing the reserves that will guarantee a better foreign currency balance in the near future.

Third, interest rates on credit must be reduced so that the new issue of money does not turn into inflation but into savings, i.e. investment. The trading banks should be transformed from the simple cash-boxes they are now into real banks, and if they have not understood their role in the market economy, they should be privatized in order to allow the free competition between them that would teach them better than any lecture how to operate under the new conditions.

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## SDS Secretary Kurtev on Internal Disputes

*AU2507182094 Sofia STANDART NEWS in Bulgarian 19 Jul 94 pp 17,19*

[Interview with Ivan Kurtev, chief secretary of the Union of Democratic Forces Coordinating Council and chairman of the Social Democratic Party, by Valeriya Kalcheva; place and date not given: "The People Who Spoke From the Rostrum at the SDS Rally Will Change; What Is Important Is That the People in the Square Below Should Stay the Same"]

[Excerpts] [Kalcheva] Mr. Kurtev, two trends are clearly prevailing within the Union of Democratic Forces [SDS]. The conflict focuses on the differences between large and small parties. How would you comment on this?

[Kurtev] Neither the large nor the small parties could exist outside the SDS. Every party, upon leaving the SDS, loses its importance. The Social Democratic Party, for example, is one of the SDS member-parties that has the greatest number of structures throughout the country. The Conservative Ecological Party [KEP], Ecoglasnost, and the Clubs For Democracy also have numerous structures. In talking about structures, I do not mean the size of their membership, because this is relative. Our parties do not regard membership in the same way as it was in the old Bulgarian Communist Party [BCP]. The term membership is interpreted somewhat more liberally. The SDS member-parties are based rather on election principles. [passage omitted].

[Kalcheva] It is, nevertheless, a fact that numerous SDS supporters have withdrawn from politics. Is anyone responsible for this or is it just the times that have changed?

[Kurtev] Some people should certainly be blamed for this. The general trends that are shared by all post-communist countries also have an impact. The majority of their citizens expected democracy to be "erected," immediately after the fall of the Berlin Wall.... People in our country have lost faith. They are convinced that the political forces in our country are incapable of changing their lives in the near future. The other reason for their distrust is the accusation of weakness, which applies in particular to our SDS supporters. They are disappointed with us because we did not show enough strength while we were in power. They see how slowly the reforms are progressing and realize that they are incapable of contributing much to changing the systems.

[Kalcheva] Is the SDS National Coordinating Council's leadership ready to assume the responsibility in the event that its present strategy and tactics should fail?

[Kurtev] I do not agree with you that a conference should assume all the responsibility. On the other hand, it is not serious to shift the responsibility for the decisions of a conference onto individual leaders. The SDS National Coordinating Council is nothing but the executive force in the implementation of decisions made by the individual member-parties of the coalition. [passage omitted]

[Kalcheva] Which of the SDS leaders has made mistakes recently?

[Kurtev] At meetings of the Coordinating Council and the SDP Executive Bureau I have expressed disagreement with other people's opinions and I have assessed the behavior of numerous colleagues. However, I have never done so in talking to the media, and I do not intend to make an exception for STANDART NEWS.

[Kalcheva] What is the reason for the conflict between the SDS Coordinating Council and the Parliamentary Group? What is causing the current exchange of insults and the sharp controversies?

[Kurtev] Two opinions on the parliamentary boycott prevail within the Parliamentary Group. Nevertheless, can a parliamentary group not have its differences without splitting? In spite of everything, the SDS Parliamentary Group must boycott the sessions because this is what the Coordinating Council decided at its national conference. Any deputy who does not conform should bear the political consequences of his action. It is significant that numerous deputies have been abstaining from the work of the Parliamentary Group over the last month. I have avoided its meetings for over a month, not because I am against the group as such, but because I do not like the statements of certain members.

No mutual insults have been exchanged. Certain individuals have insulted the leadership, but their insults usually remain unanswered. If I were one of our voters, I would also feel rather embarrassed whenever I hear in the mass media or read in the newspapers how an SDS member is accusing other SDS members of being thieves, homosexuals, scoundrels, perverts, and God knows what else. However, I am confident that our supporters are capable of making their own judgment on who is who in the SDS. [passage omitted]

[Kalcheva] Mr. Kurtev, Is the Democratic Party likely to leave the SDS? The Supreme Council is expected to hold a meeting at which the problem will be discussed, and this is no secret.

[Kurtev] I do not think that this is likely to happen. Besides, no SDS member-party whatsoever would dare to leave the coalition, because it would be doomed to share the fate of the other parties that left. [passage omitted]

[Kalcheva] When is it realistic to expect the next elections?

[Kurtev] If there were a cabinet crisis in September 1994, we would be obliged to vote around Christmas time. If not—we should not be surprised to see parliament completing its term of office.

[Kalcheva] Do you expect the Bulgarian Socialist Party [BSP] to favor the idea of elections by the end of 1994?

[Kurtev] Those who are in favor of preserving the present parliament until the end of its term are prevailing among the communists' parliamentary group. The BSP leadership does not control its parliamentary

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group sufficiently, but they are careful to avoid publicity on such matters. Moreover, they are expected to hold a referendum on their party program in September 1994, while the SDS program is ready and could be adopted by the Coordinating Council with very few corrections.

### SDS's Dimitrov Cited on Gotsev Resignation

*AU2507200394 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 25 Jul 94*

[Text] Filip Dimitrov, chairman of the Union of Democratic Forces [SDS] National Coordinating Council, made a statement in connection with the announcement of Vasil Gotsev, deputy chairman of the SDS National Coordinating Council, to resign from his post.

In an interview for Bulgarian National Radio, Filip Dimitrov expressed regret about the aforementioned resignation, Mr. Gotsev being a very worthy man who has devoted great efforts to make the SDS cause popular.

Filip Dimitrov described as "disturbing" the declaration adopted at yesterday's meeting of the Democratic Party's Supreme Council, in which the policy of the SDS and the National Coordinating Council was in fact being rejected in his view. After this declaration and yesterday's expulsion of distinguished Democratic Party figures for having supported the parliamentary boycott, the SDS leader declared that real chances exist for rather dramatic developments at tomorrow's weekly meeting of SDS leading organs.

### SDS Leaders Discuss Issues

*AU2607113194 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 26 Jul 94*

[Text] At this morning's session of the Union of Democratic Forces [SDS] National Coordinating Council, the New Social Democratic Party proposed a temporary freezing of the Democratic Party's membership in the National Coordinating Council.

The reasons for this were explained by Dr. Vasil Mikhaylov, chairman of the New Social Democratic Party. According to him, the declaration of the Democratic Party's Supreme Council issued on Sunday [24 July] contradicts the decisions of the SDS National Conference and criticizes the policy of the National Coordinating Council. The New Social Democrats are also dissatisfied with the expulsion of some Democrats for having supported the parliamentary boycott.

The SDS National Coordinating Council reportedly has voted confidence in one of the Democratic Party members who was expelled at the Sunday session of the Democratic Party's Supreme Council, namely to Stoyan [name indistinct].

Dr. Vasil Mikhaylov forecast that his party's proposal would be supported, while he does not see anything tragic in the temporary freezing of the Democratic Party's membership which should continue until the statements of the party's leader Stefan Savov have been clarified. According to Mr. Mikhaylov, the Democratic Party will not leave the SDS coalition. However, this will become known within the next hour.

In addition to Vasil Gotsev, the Radical Democrat Asparukh Panov has also resigned from the post of SDS National Coordinating Council deputy chairman.

The group of SDS supporters which greeted the incoming leaders in front of the Sofia headquarters according to its sympathies and antipathies, is still standing in front of the building and will presumably await the end of the session.

### BSP Executives Hold 'Businesslike' Session

*AU2607113694 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 26 Jul 94*

[Text] The joint session of the Bulgarian Socialist Party [BSP] Executive Bureau with the BSP Parliamentary Group is proceeding without unnecessary dramatics and in a businesslike spirit.

The first question discussed was the Judiciary Act that was vetoed by the president. The BSP is drawing the conclusion that the country's Judiciary system should conform with several basic requirements, professional skill included, which is stipulated by the law.

According to the BSP legal experts the Supreme Judiciary Council should work under the leadership of the minister of justice, as is specified in the relevant act. The Socialists are accepting the proposal that members of the Supreme Judiciary Council be elected on the basis of a parliamentary quota. Accordingly, the leadership of the BSP Parliamentary Group intends to propose specific nominations to the other parliamentary groups, which should be discussed in common so as to achieve consensus on the candidates' qualifications.

The BSP Executive Bureau has decided that the practice of holding regular meetings with the prime minister and with cabinet members should be pursued, that the Council of Ministers should not take any vacation, and that, in August 1994, the cabinet should clarify its stands and actions planned for September 1994.

### ASP To Form New Parliamentary Group

*AU2507124994 Sofia DUMA in Bulgarian 21 Jul 94 p 2*

["DUMA PRESS" report]

[Excerpt] On 20 July, Professor Nikolay Vasilev, leader of the ASP [Alternative Social Liberal Party], announced that the ASP will also form its own parliamentary group. He said that two members of the Independence Parliamentary Group will join the eight ASP deputies to form the group. [Ex-Deputy Prime Minister] Valentin Karabashev believes that the decision may be reached on Friday [22 July]. [passage omitted]

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## Atila Claims DPS Personality 'War' Under Way

*AU2207193894 Sofia STANDART NEWS in Bulgarian 19 Jul 94 p 5*

["STANDART NEWS" staff report]

[Text] Within the Rights and Freedoms Movement [DPS], an intensive process has started of forming lobbies solely on the basis of economic interests, and this threatens to destroy all the mainstays of the movement. Yudzhel Atila, chief of [DPS leader] Ahmed Dogan's office, announced this in a draft resolution of the DPS Central Council. For the past several days Atila could not be found in Khaskovo, where he is chairman of the local DPS council.

According to the document that bears his signature, it is common within the DPS for people only to declare their loyalty to one or another individual, and the currying of favors and hypocrisy are rampant. Absolutely anonymously, the Central Executive Bureau appoints persons to the boards of companies most of whom do not work for the interests of the organization, and keeps their activities secret. The failure of the leaders to consider locally nominated candidates for the posts can only be explained by personal economic interests. According to Atila, the war between personalities that is raging at the center of the DPS has a purely economic dimension, because it is proceeding in secret. There is talk in the parliamentary lobbies of the DPS leaders splitting into two groups. According to Atila, the struggle has even extended to the lower levels of the party administration and has shaken all the ideological foundations of the organization. Atila alleges that corrupt individuals for whom political power only means material perquisites have appeared in the DPS.

In every DPS district council there is a group of "informers" who are tolerated by individuals in the central leadership. Atali says that the main weapons of these informers are attempts to disgrace people, machinations behind the scenes, and intrigues.

A directive, addressed to the chairman of the DPS district council, marked "personal and confidential," and signed by Ahmed Dogan and Osman Oktay, announces a resolution by the DPS Executive Bureau ordering the preparation of personal files on all DPS leading cadres by the end of July, including members of the local councils, the Central Council, local authorities, mayors, and so on.

According to Atila, the material situation of the movement's leaders and the origins of their wealth are kept completely secret.

## Commentary Assesses Results of Perry Visit

*AU2507123394 Sofia DUMA in Bulgarian 20 Jul 94 p 5*

[Commentary by Svetlana Mikhova: "Bobi Mikhaylov Is Not Guarding the State's Goal"]

[Text] A memorandum, an official reception at the Boyana Residence, many general remarks, a little praise, even fewer promises, and almost no security guarantees. These, in brief, are the results of the first visit by a U.S. defense secretary to Bulgaria. I do not mean to belittle the importance of such a high-level visit, at the very least because behind it lie the subtle and far-reaching strategic goals and interests of a superpower. The eight Balkan countries that William Perry covered in his tour are now within the purview of these goals, one of the most important of which is to fill the vacuum created following the sharp decline in Russia's influence in the region in recent years.

The memorandum on military cooperation that was signed is an important document because it is the first such agreement in the history of our bilateral relations. However, the Pentagon itself described it as "symbolic." The Bulgarian loves symbolism. It is close to his heart and strengthens his eternal hope for something that never seems to happen. At the same time, what symbolic elements are contained in what is in essence a protocol document, one that other countries joining in the Partnership for Peace initiative have already signed as well? As REUTER points out, the document represents a de facto recognition of their membership of the NATO initiative. No time scale was discussed in relation to the issue of forming and equipping a Bulgarian UN peacekeeping battalion with U.S. assistance. We hope this will take place in the near future. However, this illusory battalion has nothing to do with Bulgaria's security. It is simply a peppercorn in the great game that is being played against the background of the Balkan crisis, which is already engaging foreign minds more closely than our own.

In the scale of its results, Perry's visit to Bucharest did not surpass his Bulgarian one. There too, assurances poured out on the United States' readiness and intentions to develop its military cooperation with the countries of the former Soviet bloc. However, there was no mention of security guarantees—either global or regional—as we stand face to face with the threat of expansion of the Yugo-conflict. Perry told the Romanians that they have priority over the others because they were the first to sign the initiative. However, the form in which this priority is or will be expressed remains unclear. We are assured that because we have such a fine football team we will succeed in meeting the new challenges in Europe. The United States realized this at the World Cup championships. However, is Perry aware that the goal of the Bulgarian state has had no keeper for some time now, let alone anyone of Bobi Mikhaylov's class? He certainly knows this, because this makes easier the task of filling the space left empty by Russia. During his European tour, Clinton unambiguously declared that the United States does not accept in its entirety the existing concept of division into zones of influence. In other words, the zones of influence are to be readjusted, slowly and gradually, without us even noticing it.

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## Commentary Assesses Walesa's Parliament Address

*AU2607114194 Sofia KONTINENT in Bulgarian 23-24 Jul 94 p 6*

[Commentary by Sasho Borisov: "Walesa and the Deputies"]

[Text] The official address that Polish President Lech Walesa delivered in the presence of our parliamentarians did not give us the opportunity to enjoy his rhetorical talents extensively, but his brief speech showed clearly that, apart from presenting himself as a charismatic leader, he convinced the Bulgarian members of parliament of his ability to analyze the processes and problems underway in our two countries, in Europe, and in the world, problems that are urgently awaiting solution. Walesa also demonstrated his skill in applying the analyses to his political actions.

As is characteristic for their single-minded partisan bias, certain deputies tried to take advantage whenever Walesa's words seemed to aim at their opponents from the relevant parliamentary group. Nevertheless, the exceptional attention with which all other members of parliament listened to the Polish president's analyses makes us hope that at least some of his statements were not wasted. We were particularly impressed by his warning that unless Poland and Bulgaria build up effective systems of action that are capable of competing with the Western European ones, both countries will be "taken in" by those who already possess such systems. Let us hope that the deputies also correctly understood his references to the necessity of speeding up the reform, to the time wasted, to the need for national unity, for "iron-strong discipline in observing the Law," and for the lost contacts in Eastern Europe. If such problems are worrying Poland, which is far ahead of us, what should backward Bulgaria do?

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### Clinton Appeal Prompts Aid for Rwanda

*LD2507210294 Prague Radiozurnal Radio Network in Czech 2000 GMT 25 Jul 94*

[Text] The Defense Ministry, in coordination with the Foreign Affairs Ministry, will send a transport plane to Rwanda with humanitarian aid, especially medicines, health-care supplies, and blankets, before the end of this week. This was announced this evening by Jaroslav Orel, adviser to Deputy Prime Minister Josef Lux. He did not exclude the possibility of sending a Czech medical team to Rwanda at some later stage. The appropriate bodies reacted immediately in this way to U.S. President Bill Clinton's appeal to the Czech Republic to participate in aiding the Rwanda population. This decision was made at the operational meeting called by Josef Lux, acting for the absent prime minister, late this afternoon. Present at the meeting were Deputy Foreign Minister Pavel Bratinka and General Vaclav Grohman, representing the Defense Ministry.

President Vaclav Havel and Prime Minister Vaclav Klaus were consulted and fully agreed with the meeting's decisions.

Another letter by Clinton about the situation in Haiti was addressed to President Vaclav Havel.

### Cechofracht Blames Customs for Guns Declaration

*AU2207153094 Prague RUDE PRAVO in Czech 20 Jul 94 p 3*

[Unattributed report: "The Customs Directorate Will Apparently Decide Regarding the Cannons"]

[Text] Prague—According to the employees of the Cechofracht company, which transported the shipment from Aero Vodochody to Thailand that was confiscated in Vienna and found to contain, among other things, aircraft guns, it was the responsibility of the Customs Directorate General to decide how the shipment was to be declared at customs.

Six ZAVRAT 30-mm aircraft guns and other spare parts for L-39 Albatros training jet that Aero was to deliver to the Thai Royal Air Force were seized in Vienna at the beginning of June because the shipment was declared as spare parts, and Austria allows the transportation of arms through its territory only with the appropriate documentation.

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### Ministers Make 'Discreet' Visit to Arms Factory

*AU2507154794 Bratislava SLOVENSKY DENNIK in Slovak 22 Jul 94 p 2*

[TA SR report: "Secretly at the ZTS"]

[Text] Dubnica nad Vahom—Slovak Economy Minister Peter Magvasi and Slovak Defense Minister Pavol Kanis made a working visit to the ZTS [Heavy Engineering Enterprises] Dubnica nad Vahom.

They described the visit as a discreet one, and it took place during company vacations at the ZTS.

The topic of the conversation between the ministers and ZTS Director Peter Koncier, who interrupted his holidays because of the visit, remained secret.

### Hungarian Parties Sign Coalition Agreement

*AU2507155094 Bratislava SME in Slovak 22 Jul 94 pp 1-2*

[Article by "(bog)": "The Hungarian Christian Democratic Movement, the Hungarian Civic Party, and Egyutteles Will Enter the Election Under the Collective Name of Hungarian Coalition"]

[Text] Bratislava—Representatives of the Hungarian Christian Democratic Movement (MKDH), Egyutteles, and the Hungarian Civic Party (MOS) yesterday ceremonially signed an agreement on multilateral cooperation and on a coalition. They will enter the fall election under the collective name of Hungarian Coalition. According to MOS Chairman L. Nagy, this is a "marriage of convenience," which will make possible a coordinated course of action involving all three parties representing the interests of the Hungarian minority in Slovakia in the National Council of the Slovak Republic. "Moreover, the political aims enshrined in the agreement will make the political pluralism of views possible and will do so in a manner that enables each party to develop," added Nagy. MKDH Deputy Chairman P. Farkas robustly rejected the view that "political blackmail" was used against MOS in the negotiations on the establishment of a tripartite coalition. He emphasized that, in the negotiations, each party asserted "its arguments, and there can be no talk at all about blackmail."

Egyutteles Chairman M. Duray expressed his hope that the political representation of Hungarians in Slovakia will be fragmented as little as possible. "We also signed the agreement in the interest of strengthening the center and right-wing forces in Slovakia and in the interest of boosting democracy and legal principles in the Slovak Republic," said Duray. The agreement on a tripartite coalition, extracts from which were also made available to correspondents by representatives of the Hungarian parties, is based, in particular, on the so-called Komarno documents drafted in January. "This means the establishment of limited self-determination, regional self-administration or autonomy, and guarantees for the personal autonomy of people living locally among a sizable minority..." states the agreement. In the interest of achieving these aims, the signatory parties are "resolved to utilize all legal means at home and abroad."

### DU Discusses Electoral Coalition With NDS

*AU2507153094 Bratislava NARODNA OBRODA in Slovak 22 Jul 94 pp 1, 3*

[Interview with Milan Knazko, deputy chairman of the Democratic Union, by Julius Gembicky; place and date not given: "The Idea of a Coalition With the Democratic Party and the Party of Entrepreneurs and Tradesmen Is Pressed for Time"]

[Excerpts] [Passage omitted] [Gembicky] Did the synergic effect of the Cernakites [National Democratic Party (NDS)] joining the DU slate actually come about?

[Knazko] There was not enough time for a true demonstration. Therefore, the results of the Statistical Office election survey show separate preferences for us and the NDS. Ours is rising; we have 7 percent, the NDS 2 percent. The synergy of the joint running of DU and the NDS is to be expected in the next survey. [passage omitted]

[Gembicky] When the preferences for possible blocs were analyzed, it was the center-right one, composed of DU, the NDS, the DS, and the SPZ, that had a high percentage of acceptability. How do you feel about its division into two twosomes the DU-NDS and the DS-SPZ?

[Knazko] It is a pity. I have supported from the very beginning the idea that this political dimension should be represented by a single party. It would be an entity with a certain political weight. Unfortunately, in the existing time stress, even controversial appearances by certain politicians from both sides militate against such an agreement.

[Gembicky] How are you going to tackle the problem of the to a certain degree conservative orientation of the NDS and the liberal orientation of DU? Will it result in a conglomerate of a new Movement for a Democratic Slovakia [HZDS]—but with a human face?

[Knazko] This is an amusing metaphor, but it has nothing in common with reality. It is true that many of us originally came from the HZDS, just as it is true that even earlier almost all of us came from the Public Against Violence movement. Hence, the HZDS as a movement narrowed its spectrum from that of the Public Against Violence but still remained too varied to be capable of leading a cultured political dialogue. The fact that new parties have emerged from it at certain stages demonstrates the logical shaping of the parties on our political scene. I would not attribute such great weight to the notions of conservatism and liberalism in Slovakia at this time. The analogous program is important, on which

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we can agree. Therefore, I do not believe that a verbal crossing of political lines could cause any major problems. [passage omitted]

### HZDS Actively Exploits Coalition Possibilities

*94CH0342A Bratislava SLOBODNY PIATOK in Slovak 30 Jun 94 p 4*

[Commentary by Stefan Sugar: "Nothing New in Politics"]

[Text] Last time it was the *heil* salute by HZDS [Movement for a Democratic Slovakia] Deputy Ivan Luptak in the National Council of the Slovak Republic, to which newspapers paid much more attention than to the visit of a real fascist, General Pinochet, to the Czech Republic. But even though this movement so far has not provided newspapers with more nourishing material, behind the scenes it is very busy. Indeed, there is nothing else for it to do if it wants to achieve its strategic goal of forming a one-color government after the elections. There are various roads leading to this goal.

At a meeting with journalists, the chairman of the movement, Vladimir Meciar, took on the role of prognosticator and declared that, before long, a new social-democratic party would come into being in Slovakia, and, lo and behold, not a week has gone by and we are already witnessing a split in this party, and Mr. Hruby is heralding the establishment of a new social-democratic party in Slovakia. But Vladimir Meciar also mentioned that, in fact, in these elections, the Hungarian political parties will not necessarily gain seats in the parliament. Obviously he knows what he knows! Horn's election victory in Hungary means that the Hungarian political parties in Slovakia can no longer count on substantial help from Mr. Boros and his party. But the socialists' victory also signifies a marked shift in priorities of our southern neighbors, for whom a chicken in the pot is beginning to be the most important program. Undoubtedly, this will influence the thus-far monolithic unity of the Hungarian political parties, which will have to watch very carefully that the Party of the Democratic Left [SDL] does not increase its 10 percent from the last elections by a few vitally important percent. But it is not only the SDL that wants to strengthen its position by votes from members of national minorities. Even the HZDS sees an opportunity in this and wants to put several Hungarian candidates on its ticket. But Vladimir Meciar can shuffle the cards on the political scene most effectively by cooperating with the Romany political parties, to which he promises, in case of election victory, not only road signs in Romany but also everything that other national minorities have, such as teaching in the Romany language, newspapers, cultural associations, etc. The strategic goal of political emancipation of the ethnic Romany society becomes clear when we realize that a great number of Romanies declare Hungarian nationality.

The latest statistics of preelection preferences for political parties indicate that seats in the parliament may be denied not only to the Hungarian political parties but also to many a Slovak party, and that is why we are witnessing the feverish discussions and the forming of coalitions. These political parties are naturally nervous about the emergence of new political entities, such as, for example, Luptak's Workers' Party of Slovakia, whose unexpected success points to the citizens' disgust with the present political wheeling and dealing. Although Vladimir Meciar thinks that Jan Luptak is taking votes away primarily from the SDL, it must be pointed out that his support is precisely among workers in the Central Slovak kraj, and precisely this kraj is the domain of Jan Luptak. The nervousness of this movement is also pointed out by the animosity with which Roman Hofbauer greeted the establishment of a new political entity in the Slovak Republic, Mosny's movement New Slovakia, which comes into the world with the election slogan "Mind in Europe, heart in Slovakia." Former minister Hofbauer quite inappropriately railed at the nascent movement that it belongs among the dwarf parties that unnecessarily draw votes away from other nationally oriented parties. And, although some argue that the movement is entering the political arena too late, it could become the black knight on the political chessboard. It does not have to actually gain seats in the parliament, but, by the very vision of Slovakia as a democratic state with a market economy, which will introduce strict regulations into its life, it could at least make the image of the other political parties worse because there is no disputing the fact that citizens are fed up with the social and other impacts of the economic transformation and are waiting for new ways out and new solutions. But it seems to me that the political leaders are more interested in cabinet debates than in the real desires of their voters. It appears that not even the victory of the former communists in Poland and Hungary is a sufficient lesson for them.

### Liberals' Officer: Party Wants To Support KDH

*AU2507141694 Bratislava SME in Slovak 21 Jul 94 p 3*

[Interview with Liberals' Executive Secretary Pavol Weiss by Maria Sisulakova; place and date not given: "The Party of Young People Wants To Support the Right Wing by an Attractive Program"]

[Excerpt] [Sisulakova] Because of the low, only 1-percent election preferences for the party, you have decided to run in the elections alone, with a single candidate to satisfy the letter of the election law. In fact, however, you will support the Christian Democratic Movement [KDH] in the campaign. Which elements in its policy motivate you to provide the support?

[Weiss] It is their emphasis on civic principles, state-forming policy, the issue of the security of Slovakia, Jan Carnogursky's politics as the CSCE deputy chairman, and, last but not least, our long-lasting association. We have been in constant contact with the KDH for the past four years.

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[Sisulakova] What form will your support for this movement take?

[Weiss] Our membership consists mostly of young people, students. We have more than 4,000 registered members and are the party with the lowest age average, which is below 30 years. We will present ourselves in the election campaign, just as did two years ago—i.e., on television and billboards—with a very attractive program, virtually identical to that of the Freedom Party of Austria (FPOe). Some of its theses are identical with the theses of KDH Deputy Chairman Ivan Simko. Nevertheless, our support for the KDH would only be meaningful if we add to their votes. Not otherwise. Therefore, we still must fine-tune the entire program of the election campaign. [passage omitted]

## Republicans Complain About Czech Counterparts

*AU2507171594 Bratislava SMENA in Slovak 22 Jul 94 p 4*

[Article by "(sl)": "Republican Burlesque"]

[Text] Kosice—The Preparatory Committee of the Slovak political party the Association for the Republic-Republicans recently asked the Prosecutor General's Office to investigate whether the stance adopted by the Interior Ministry toward the activity of the Czech Republican Party of Czechoslovakia-Republicans [Association for the Republic-Republican Party of Czechoslovakia] has violated the law on political parties. The Republican Party of Czechoslovakia-Republicans, led by Miroslav Sladek, organized a working conference in Kosice on 21 May at which Jozef Horvath, the chairman of the independent Slovak party Association for the Republic-Republicans, was recalled. Jiri Bugno was elected the new chairman.

Because the statutes of the Slovak Republicans make it possible for the chairman to be recalled only by a party congress, which did not take place, Jozef Horvath does not accept his recall. On the other hand, he claims that the issue merely involved the personal artfulness of the "Sladekites." Because activity by foreign political entities on Slovak territory is not permissible according to current Slovak legislation, there is a suspicion of illegal conduct here. "I am all the more surprised by the attitude of the Interior Ministry, which has accepted the change of leadership with the change of address. Therefore, we are appealing to the interior minister to tighten supervision of the legal measures taken by his ministry," added Jozef Horvath.

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### Serbs Arrested for Attempted Arms Smuggling

*LD2507124494 Budapest Kossuth Radio Network in Hungarian 1200 GMT 25 Jul 94*

[Text] Serbian ammunition smugglers have been caught by customs officers at the Roszke border crossing point on the Hungarian-Yugoslav border. According to a briefing at the national headquarters of Customs and Excise, nearly 60,000 rounds of live ammunition and a number of weapon cleaning kits were found in a Serbian bus, which was carrying eight persons.

Proceedings have begun against the passengers of the Serbian bus under suspicion of arms smuggling.

### Horn, HDUR Chairman on Hungarian Minority

*LD2507212494 Budapest Kossuth Radio Network in Hungarian 1830 GMT 25 Jul 94*

[Interview with Hungarian Prime Minister Gyula Horn and HDUR Chairman Bela Marko by correspondent Dora Adorjan; place and date not given—recorded]

[Excerpts] [Adorjan] According to the latest, semi-official commentaries in the Romanian press, the HDUR [Hungarian Democratic Union of Romania] is becoming more radical. It is cited as one of the reasons that the HDUR panicked, because Gyula Horn and the new Hungarian Government is demonstrating a lot more tolerant and cooperative behavior than the earlier one. I asked Bela Marko first, how this opinion could affect relations between the HDUR and Hungarian Government.

[Marko] It is obvious that we cannot afford to panic. We have decided on a change of strategy, but this has nothing to do with the change of government in Hungary. This was decided by certain domestic circumstances, namely, that the HDUR, merely with its hitherto methods, that is operating as a political party, could not achieve results that are indispensable for the Hungarians of Romania. Concretely, this is about the state of education. [passage omitted]

We can act a lot more effectively as an interest representation organization than as a political party. [passage omitted]

[Adorjan] Mr. Prime Minister, are you experiencing any pressure from the Romanian Government trying to dissociate you from the HDUR?

[Horn] I was very pleased that Bela Marko visited me in Budapest. [passage omitted] There is no question about the HDUR not wanting to cooperate with Romanian political parties in the future. [passage omitted]

I emphasize and I have confirmed this to Bela Marko too, that this Hungarian Government wants to do everything in its power to guarantee the rights of Hungarians in Transylvania. However, on the one hand, this does not only depend on our relations with the HDUR, or other Hungarian representations, but most of all, on the relations that we will be able to form with the Romanian Government, parliament, and Romanian [word indistinct], on the other, it depends on the kind of international support we are likely to receive in this matter. [passage omitted]

[Adorjan] You reiterated that Hungarian foreign policy continues to regard the protection of the rights of Hungarians living beyond the borders as a priority. So there is not going to be a change of direction, only of style. What do you mean by this change of style?

[Horn] Yes. We will not talk about a sense of mission and about us Hungarians being better than the neighboring nations and peoples. We will not say that for our neighbors, the road to Europe leads through Budapest. We will restrain from these kinds of statements. We will not discriminate in the questions of support, or in the relations with organizations of Hungarians living in the neighboring countries according to party political interests. [passage omitted] Where and when we can, we will improve the situation of the Hungarians living beyond the borders.

However, they also have to understand that in order do to this bilateral relations have to improve, and I feel that Bela Marko is a partner in this issue.

[Adorjan] How do you envisage financial support for the HDUR in future?

[Marko] This is not so much about the support of organizations, but support for Hungarian culture and education in Transylvania. [passage omitted] This support is necessary. In my view, it is vital that this support should not be any less than hitherto and it is important that it should be clear, transpareat, and coordinated. Coordinated in the sense that the Transylvanian Hungarians themselves, their representatives and institutions, and appropriate professional bodies should be able to decide where the support is to be directed.

Naturally, the donor is entitled and obliged to set certain criteria, but I think that it is the community itself that is in the best position to decide what is important for it. [passage omitted]

### Defense Ministry Announces Conscript Reduction

*AU2507164094 Budapest MAGYAR HIRLAP in Hungarian 23 Jul 94 p 3*

[MTI report: "The Number of Conscripts Is Reduced"]

[Text] In August, some 2,000 fewer men will start their military service than previously planned by the Hungarian Army, Defense Ministry spokesman Lajos Erdelyi said.

It is known that Minister Gyorgy Keleti announced at the Defense Committee hearing that the new government wishes to reduce the number of conscripted troops by 10,000-12,000. As a first phase of this, some 21,000 people instead of the planned 23,000 will begin their

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conscript service in August 1994. More than 50 percent of the reduction will be implemented to the detriment of the land-based troops, nearly 20 percent the air defense and flying troops, and the remaining part the reserves and other central institutions.

The spokesman pointed out that the current and further reductions primarily stem from the Defense Ministry's difficult financial situation, and they are also aimed at improving the service conditions of the conscripted soldiers. The Ministry's August measure also fits in with the long-term plans inasmuch as the reduced staff may lead to the elimination of certain military objects and organizations. Erdelyi emphasized that this measure does not effect the Hungarian Army's combat readiness, although, in certain units, this does indeed mean qualitative changes in alert situations.

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## Walesa Warns Against Cutting Ties to Russia

*AU2507153394 Sofia TRUD in Bulgarian 20 Jul 94 pp 1, 3*

[Interview with Polish President Lech Walesa by Tosho Toshev, editor in chief of TRUD; place and date not given: "Let Us Not Pack Our Bags and Cut Ourselves Off From Russia"]

[Text] [Toshev] Mr. President, Bulgaria and Poland have restricted their economic relations following the fall of communism in East Europe. Will the time come again for normal trading contacts between our two countries?

[Walesa] First of all, this happened as a result of the collapse of the markets in the member states of the former Eastern bloc. They could not be maintained without the appropriate capital investment. The demand disappeared for traditional goods exported to the east. Many factories and plants have even now still not received the money owed them, and they now have to face the competition presented by rapidly developing medium-sized enterprises in the east. To keep our positions on the eastern markets, we need contacts with the West to organize joint ventures and obtain investment. Otherwise, the Asians and the Americans will take our places.

[Toshev] Is Bulgaria's convertible ruble debt to Poland a hindrance to expanding our trade exchange?

[Walesa] I believe it is possible to reach a certain compromise. This is a problem for our ministers to resolve.

[Toshev] In the postcommunist chaos, Poland started off with its head in front of the other East European states. What can Bulgaria learn from your country's experience, and what mistakes should it avoid?

[Walesa] Our experience has been described and is well known. For example, Moscow used the services of Polish experts. They are frank and open people and always ready to help. However, one cannot slavishly copy and apply every experience because different problems exist, caused by different conditions. CEMA made narrow specialization obligatory. To put the issue in the simplest terms, those who produced metalworking machines are today in a better situation than those who manufactured low-grade steel and who now need something different.

[Toshev] Both our states aspire to join the European structures and NATO. How can we help each other join Europe more quickly, all the more so in view of your frequent criticisms that the West is blocking our path?

[Walesa] First, we must be active in developing the existing forms of cooperation, such as in the Partnership for Peace initiative. We must reorganize and modernize our infrastructures and refute arguments like: "You are not prepared, you are unsuitable, you do not know languages...."

[Toshev] Can one imitate Balcerowicz's shock therapy, or does the return of the former communists to power in Poland indicate that this therapy is unsuitable?

[Walesa] I would not draw a connection between the two. The left's success in the elections was due more than anything to the shortsighted policies of the leaders of the present opposition. Instead of forming joint lists of candidates for the election, they fought the election separately and failed at the high 5-percent hurdle that they had previously voted for themselves. It is evident that many people are worse off now than under communism, when there was no unemployment and everyone was paid more or less the same. Many electors voted for the memories of their youth.

[Toshev] How do you regard the idea put forward by certain economists that the states of Central and East Europe should form their own economic organization, similar to the former CEMA?

[Walesa] This is not a good idea. CEMA was a specific organization that subordinated the economies of its member countries to a certain center. CEMA was not so much an organ of cooperation as an organ of control. Today we need new rules for the game that are clear to all. The premises should relate to principles, not to detailed economic solutions. This is why all of the states declare their desire to join existing organizations for economic cooperation that are already well known. If this process is artificially blocked, we can and should consider other suggestions, but, in my view, such a threat does not seem likely.

[Toshev] Can Poland and Bulgaria distance themselves from Russia sufficiently to be politically independent, but without damaging their economic interests in the east?

[Walesa] Let us not pack our bags and cut ourselves off from Russia. It, too, seems unlikely to change its geographical location. If at any time it should use its economy as an instrument for political blackmail, this will give a warning signal to the entire world that Russia is returning to its old empire-building course.

[Toshev] Do you think the situation in Russia presents a danger for its former allies and satellites, especially if someone like Vladimir Zhirinovskiy comes to power?

[Walesa] We were under Russia's power for a very long time and then formed part of its communist empire. We have gathered a certain amount of experience. Naturally, it would not attempt to subject its former satellites. For one thing, the restoration of this empire and the cost of maintaining it would be too expensive and an unprofitable investment. Everything would be likely to end in disaster, most of all for the Russians themselves. I believe in the wisdom of this great nation and in the farsightedness of its leaders. We are all distancing ourselves from the bad past.

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[Toshev] How does the founder of Solidarnosc feel in the role of head of state?

[Walesa] Like a man who accepts every challenge and is sometimes successful at something. In short, I feel fine, despite the fact that I would be delighted to give up politics. The Solidarnosc Trade Union that I led for a long time was a great public movement that offered a rich experience to millions of Poles. Today, I am president of a free Poland, and my colleagues are still working in the trade union and in the free press, and they are very active in political life. Although it is not very often in the world that a trade union chairman becomes president of a state, the logic of the events in the country gave me no other choice. At present, I cannot yet go into political retirement.

[Toshev] The workers in Poland often go on strike. What feelings do you have today, as compared with the time when you were a worker at the shipyard in Gdansk?

[Walesa] When the workers have grounds, or believe they have, they go on strike. The law is the decisive factor in individual cases. It is the same all over the world. In a free country, it is difficult to hold a political strike, whereas, in a totalitarian country, every strike is political. Strikes are a normal element in the social activity of free countries.

[Toshev] In the West, opinions are being quietly expressed that you have changed from a symbol of Solidarnosc into a disappointment for the Poles and that this has also contributed to the return of the communists to power. What do you say to this?

[Walesa] Ask the people who spread these views. I took no part in the election campaign; I merely fulfilled my constitutional duties. When I started, 70 percent supported me, and no one in Poland or anywhere else in the world can say what the result of the next elections will be.

[Toshev] Adam Michnik has on several occasions accused you of being on the way to becoming a dictator. Do you see any grounds for such criticisms?

[Walesa] Adam Michnik is a prisoner of his own views, which are often at variance with reality. On television recently, he compared me to communist party [Polish United Workers Party] Secretary Gomulka. Before that, he thought I was like Mussolini. This is like using an artillery piece to shoot a sparrow. It is good that he has not been making statements against me so often of late. In fact, you should have asked him this question.

[Toshev] Is there any danger of a return to the past in Poland, and what are your main differences with Waldemar Pawlak's Cabinet and the Sejm?

[Walesa] There will be no counterrevolution in Poland, although history teaches us that the peasants are most susceptible to this. The reforms have made great progress, and the goals have been marked out. If anything bothers me about this team, it is its political shortsightedness and demonstrations of strength. Its decisions are good, bad, or very bad, but society has the last word on this issue.

[Toshev] What does Poland look to, Europe or the United States, especially in view of the fact that the Poles form a strong lobby in America?

[Walesa] We are moving toward Western civilization, toward a united Europe. As far as I am aware, the United States has a friend in Poland, and I do not think anything will change in the future. Our direction remains the same, and the eyes of the Poles remain turned toward the West.

[Toshev] How do you view your future? Will you compete with the other candidates next year for the presidency, and why is it that, to judge from the latest public opinion polls in Poland, General Jaruzelski is more popular than you are?

[Walesa] I have already spoken about these reasons. Memories are one thing, reality another. If the Poles were asked if they wanted Jaruzelski as president, the soundings would give quite a different picture. I am quite calm about the result of the elections. It is just like a car market: There are different makes and advertising, and everyone is interested, dreaming about what he wants. However, if you have to make a journey, you choose only a Mercedes.

[Toshev] Do you have any time left free for your family?

[Walesa] No, I do not, but it was my choice. I believe that circumstances will change, that we will build a Poland in which the president will have as much free time as the ordinary citizen. I try to spend as much time as possible with my family, of course, especially with my daughters, who need a father. Nevertheless, I know that my work is in the service of young people most of all, and that the really big chance is opening up for them now.

## Presidential Race, Right-Wing Strategy Viewed

*WS2607100094 Warsaw GAZETA WYBORCZA in Polish 26 Jul 94 p 10*

[Article by Andrzej Wielowieyski, a Sejm deputy for the Freedom Union, under the "Opinions" rubric: "A Supraparty 'Way of Life'"]

[Text] *"The fate of the presidency, which means Poland's future for the next few years, could be in the hands of as small a number as a few thousand voters," warns Andrzej Wielowieyski.*

It is time to begin the presidential campaign. [Conservative Party Chairman] Aleksander Hall, being an experienced political leader, opened a debate (in GAZETA WYBORCZA, No. 161, "Belweder—In Unity") on how to designate and agree upon an appropriate candidate for president of the Polish Republic, the kind of candidate who could remove the parties of the former Polish

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People's Republic [PRL] from power and secure the progress of Grand State Reforms.

In the article, Hall correctly described the necessary personality traits required of such a candidate:

—a "head of state" type of person;

—a type of personality that inspires voter confidence and that is convincing at the same time;

—the ability to concentrate the widest possible array of political forces around himself.

Unfortunately, the concept of electoral programs and agreements and the concept of a successful campaign is too shallow, it completely does not fit the situation in the country, and it spells defeat even before it is implemented.

That is why Hall suggests an alliance among the Freedom Union [UW], two right-wing coalitions, and the Independent Self-Governing Trade Union "Solidarity." He also seems to think that the main task is to overcome the right wing's grievances against UW, as well as the abandonment by part of UW of temptations to come to agreement with the Democratic Left Alliance [SLD]. I agree that such measures must be undertaken and that such agreements will be necessary to "win the Belweder." Unfortunately, however, it will take much more than that to win. One must also win over a few million voters who refused to vote for political parties in the parliamentary elections and who most probably will take part in the presidential vote.

The number of people who voted in the parliamentary election was 14.5 million (52 percent of the total number of voters), while the turnout in the previous presidential election was over 62 percent, which means 3 million people more voted.

It should be assumed that, unlike political parties that disappointed many people and that have a limited electoral basis, presidential candidates will be able to attract many more voters. Assuming that an enlivened and controversial campaign will take place, probably 60-70 percent of voters (17-19 million people) will actually vote. For whom will the remaining 2.5-4.5 million voters vote? Let us have no illusions:

**Few People Will Vote for the Right Wing**

One must not repeat the mistake in assessing reality that was made during the 1993 parliamentary election. As Aleksander Hall writes, given a 43-percent turnout in 1991, everything could have been all right—had the right wing not split up in a stupid way and had UW merged with the Liberal-Democratic Congress earlier. Then, one could have achieved "a state akin to equilibrium." But this is not what really happened. Aleksander Hall refuses to acknowledge that; he prefers to bury his head in the sand. The turnout was 52 percent, which is 2.5 million additional votes, and a majority of these votes were for the left wing. That is why even if all of the correct alliances and agreements had been signed before, the right wing and the center would have lost to the left wing anyway.

Is there any reason to think that a further increase in the number of those who will take part in the presidential elections will reverse the trend being talked about here? No, on the contrary.

Naturally, there will be some people disappointed with the government, in particular with SLD's political strategies and policies, but I have serious doubts as to whether these people will decide to join the right wing's electorate. I would think they will tend to support the Union of Labor, the Confederation for an Independent Poland, and supporters of people such as Lepper or Tyminski. The number of people in society who have been scoring financial success will keep rising, but I think the trend will not be very radical. This kind of basis for the right wing will not be solid until 10 to 15 years from now. On the other hand, the number of people who are frustrated and tired with reform will remain steady. They are not apolitical types at all. They can appreciate the importance of politics, but the thing is that they do not expect anything of value from the activities of political parties and, in particular, from the parliament itself. That is exactly why so many of them decide not to vote at all.

A great many of these people, however, would like to put their trust in somebody. They would very much like for that special individual not only to protect them but also to really represent their interests and to be able to inspire hope in them. The fact that there are a great many such people is definite proof of the weakness of society, which may, under such circumstances, be mislead by anybody. We must agree, however, that, in difficult, breakthrough periods, it is a "normal" and understandable state of affairs. It does not have Bonapartism or Bolshevism as its goal at all, but it surely requires a special type of politics that would be different from that applied in rich and stable countries.

**The Need for Charismatic Leaders**

...is greater now than at any time in the past.

That is a bitter pill to swallow for representatives of the normal right wing. I feel sorry for them. I would choose reasonable, economically efficient, and bold programs myself, the types of programs that would force the nation to undertake an effort because that is a safer thing for the entire country. I would like to appeal to Aleksander Hall and other right-wing activists, however, not to succumb to wishful thinking and to remain capable of choosing political efficiency, even at the expense of their own—I would say immediate and ideological—identity. Also, I think they should not be mislead by the rather good results scored in the self-governmental elections in which, we have to keep in mind, less then 30 percent of voters in cities and towns took part. There is no reason to

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believe that those who thought it wasted effort to vote for self-governments will give us another chance this time around.

In conclusion, it is my contention that to conduct the presidential campaign primarily under the banner of a right wing-left wing battle spells definite defeat. Also, reinstating the "Solidarity"-type unity will not help much, either.

A chance to stop the return of the PRL may only come about through:

—a program of grand social, anticommunist reforms (with a balance between economic and social aspects);

—a charismatic personality of a candidate who would inspire the necessary degree of confidence in all major social groups.

It is worth keeping in mind that Kwasniewski enjoys the support of parts of the electorates of all socioprofessional groups. The presidential race can be won only by someone who can show a "way of life" to a sufficiently large number of voters under the current circumstances of our society and who can talk about the future in terms that would inspire conviction. Severing all ties to the unfortunate past of the PRL era, as well as demonstrating that the postcommunist coalition is not and will not be able to modernize Poland, must be accompanied by a coherent vision of the necessary reforms that would be presented in an honest manner, without hiding the cost factor, but also guaranteeing assistance in cases where it proves necessary.

To the opposition parties, choosing the correct candidate will naturally be a dramatic thing to do because the candidate, by definition, cannot be a party leader. It has to be someone clearly above all parties, someone capable of widening the reform-oriented electorate in a substantial way. It will not be easy to promote somebody...

**From Outside the Political Arrangement**

...to a sufficient degree, even if he or she is popular (Zbigniew Religa, Tadeusz Zielinski, Ewa Letowska). I think Krzysztof Skubiszewski, Andrzej Olechowski, or Jacek Kuron would have a greater chance.

When it comes to Skubiszewski, he did not participate in the power struggle, is not politically aligned, and, at the same time, enjoys the respect of large social groups (also in rural areas) both for having substantially changed Poland's position in the world and for his strong personality, which comes across quite well in the media. Olechowski, despite some "party" affiliations from a year ago, when he was a leader of the Nonparty Bloc in Support of Reforms, is currently occupying a high position as a trustworthy politician and is not a party leader. He can perform excellently on television and can be convincing, even when he speaks about giving away shares worth several hundred million zlotys.

Finally, there is Jacek Kuron, who understands very well the "right-wing requirements" of the time and, at the same time, knows what the people expect. The position of Kwasniewski, who is a nice man and easy to communicate with, would be dramatically endangered by somebody who was persecuted precisely for fighting for people's rights for most of his life—and even in a democratic era showed that he could efficiently defend those rights.

Of course, every one of the candidates listed here would have to score a big enough success in the first round against President Walesa to prevent Kwasniewski from exceeding the 50-percent mark. It does not seem, however, that the incumbent president could score more than 10-20 percent of the vote. In any event, in the second round, the fate of the presidency, which means Poland's fate for the next few years, could be in the hands of as little as a few thousand voters.

## ΩPsychological Analysis of President Walesa

*94P20977A*

[Editorial Report] Polish psychologist Zbigniew Zaborowski, who recently published a book on President Lech Walesa, discussed his interpretation of Walesa's psychological makeup in an interview in the 24 May issue of the Catholic daily SLOWO-DZIENNIK KATOLICKI. Zaborowski also commented on the assessments of Walesa's psychology offered by journalists, rival politicians, and other psychologists.

Zaborowski sees the key to understanding Walesa's political decisions and behavior in Walesa's image of his historical mission to be the "destroyer of communism" and "the builder of a new Poland." All of his major actions are related to his image of himself as a "stabilizer and reformer," who wants to "lead Poland safely through the transition period to a period of political and economic stability in which the democratic system takes on well-defined forms and in which the economic reform will be crowned with success." In addition, according to Zaborowski, Walesa is "an incorruptible, honest, and upright Catholic," who has been a consistent opponent of corruption.

In response to interviewer Marian Romaniuk's question whether the president has any negative characteristics, such as vindictiveness, Zaborowski stated that Walesa has never demonstrated "any long-lasting enmity." Even his poor relationship with his former adviser Jaroslaw Kaczynski should not be interpreted as vindictiveness because it was provoked by Kaczynski's burning him in effigy in front of the Belweder presidential palace earlier this year.

Assessing Walesa's political positions, Zaborowski said that the president's "patriotic attitudes" make him favorably disposed toward the right, although only the moderate right, represented by the Christian National Union (ZChN) and the Christian Democrats (PChD),

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and not the "extreme right," represented by Aleksander Hall (chairman of the Conservative Party) and Kaczynski. According to Zaborowski, Walesa is essentially "a man of the center," who does not want the political system to be dominated by either the right or the left.

Zaborowski said that commentary on the president's psychology falls into three basic categories. The first and "most superficial" group consists of reactions to "spontaneous and ill-considered" decisions and statements by Walesa, which elicit "similarly spontaneous and superficial" critiques by journalists. Zaborowski speculated that these journalists "delight" in taking potshots at the president because they harbor "animosity and resentment" toward him. He added that the same could be said of politicians such as Ryszard Bugaj (chairman of the Union of Labor [UP] party), Zbigniew Bujak (another UP leader), and Hall, who "regularly" make negative remarks about Walesa. In Zaborowski's opinion, this demonstrates that they have a "hostile relationship with the head of state" and "unresolved emotional problems associated with the person of Walesa."

A second category is represented by serious journalists, such as Janina Paradowska of POLITYKA and Krzysztof Czabanski, who writes for a number of publications. Zaborowski believes that the evaluations of Walesa's behavior by these "political meteorologists" have "a certain substantial maturity," although they lack "a broader perspective." He sees the most perceptive assessments of Walesa's character coming from observers who have a good understanding of both psychology and politics, who are able to discern the characteristics of Walesa's personality that influence his political behavior and self-image. Zaborowski cited the writings of Professors Jadwiga Staniszkis and Maria Szyszkowska as well as his own book as examples of this third genre.

### Internal Affairs Minister on Corruption, Files

*WS2507120094 Warsaw TRYBUNA in Polish 23-24 Jul 94 pp 1, 7*

[Interview with Polish Internal Affairs Minister Andrzej Milczanowski by Anna Kwiatkowska and Dariusz Szymczycha; place and date not given: "I Do Not Have To Be a Minister"]

[Text] [TRYBUNA] A few months ago, you announced that the so-called Poznan affair would be cleared up. So far, preliminary results of the investigation by the public prosecutors office have been made public. However, there are officers of the Supervision and Control Department of the Internal Affairs Ministry [MSW] still working in Poznan. Are the results of their proceedings similar to those collected by the Public Prosecutors Office?

[Milczanowski] A group of 20 officers of the MSW Supervision and Control Department has been choosing themes and events that raise doubts about their legality. It makes preliminary determinations, and then it refers the material to the Public Prosecutors Office, which gathers evidence in accordance with criminal procedure requirements and makes procedural decisions. Such procedural decisions may be the basis of assessments and further decisions.

For a few months now, I have been hearing various people, including some influential ones, as well as people who have good intentions toward me and people whose intentions it is hard for me to assess, saying: "Why don't you get rid of the burden by dismissing Smolarek because his remaining in his post sheds a bad light on you and the entire ministry." The point, however, is that given that I do not have procedure-defined proof of the situation, if I succumb to the pressure of the press now or to public opinion, I will be an ordinary opportunist. Of course, I could make the precedent of dismissing the police chief. A different paper, however, could then repeat the operation in a week or a month with regard to a different man.

[TRYBUNA] Does public opinion mean anything to you?

[Milczanowski] I understand that public opinion is an important factor, but it is not the determining factor in a situation where the entire affair is complicated because you need reliable evidence to be able to make the right decisions.

They say that the issue of human dignity is very important in a democratic regime, but tell me how the dignity issue is really handled.

I also have to take into account that Chief Smolarek has many years of service behind him. How am I supposed to look him in the eye if the criminal proceedings result in nothing? This is even more so because press accusations against Smolarek have yet to be proved.

[TRYBUNA] Still, Chief Smolarek has submitted an application for resignation. Why have you not considered the application?

[Milczanowski] I was present when, during a teleconference with voivodship police chiefs, Smolarer first expressed his intention of resigning. It was an impulsive reaction. Such a reaction by someone who is especially sensitive to issues of dignity cannot determine consequences having an impact on someone's life. From a formal standpoint, investigation results will have an impact on my decision. For the moment, bear in mind that there is a principle of criminal proceedings that says: If in doubt, decide in favor of the defendant.

[TRYBUNA] Do you not approach the case as an opportunity for showing yourself off as a minister who is loyal to his subordinates?

[Milczanowski] I am a man of persistence. I approach the case this way: If there is proof, there will be consequences. If there is no proof, however, there will be no

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consequences. I must also take into account the issue of the psychological stamina of the police chief and the impact of stressful situations on the efficiency of commanding the police.

[TRYBUNA] What would it mean to you as minister if the accusations levied by the press were to prove true?

[Milczanowski] I must apply the appropriate standards to the case because there is a danger that I could harm people and split the police just to secure peace of mind for myself in an opportunistic manner. On the other hand, I want to stress that I perceive corruption as the biggest danger facing the police, and I will persistently fight against corruption.

[TRYBUNA] The Poznan case was revealed by the press and not by the MSW's control agencies. Does this mean that the agencies are not functioning properly?

[Milczanowski] Last year, the MSW's control and supervision agencies carried out more than 6,000 disciplinary proceedings against police officers. Five hundred officers were expelled from the force, 100 were demoted to lower posts, and 250 cases were submitted to the Public Prosecutors Office, out of which 110 resulted in indictments. It is never the case, however, that a control measure would reveal all of the improprieties. Only after you compare cases revealed by the supervision agencies with those that are revealed by outside factors can you talk about the efficiency of control agencies.

[TRYBUNA] Press material on the Poznan case resulted in a widening of the scope of control by the MSW.

[Milczanowski] That was the first reaction. Currently, the inspectorate is dealing with checking the propriety of sponsoring activities in all voivodship police departments. At any rate, sponsoring measures in the form applied up to now are now over. I have issued an order that money can be directed into individual units only through the center. I do not know yet what will be the impact of such a decision.

[TRYBUNA] Sponsoring measures, however, are being talked about as a necessity...

[Milczanowski] Beginning with the 1990's, there occurred an uncontrolled desire to establish various partnerships and foundations to help the police, who are in poor financial shape. The lack of resources has really become a problem. New dangers and duties appeared. Such things as providing protection at musical or sports events or convoys have also raised doubts: Is this the kind of work that should be done by the police, or is it just an additional type of undertaking? So it is no wonder that the police chiefs were looking for money. On the other hand, there were firms that were willing to win over the police's favors, and it happened for various reasons, ranging from the most innocent to the most ominous ones. Such a situation, by definition, had to be crime related. Money is usually not given for nothing. Some of the sponsors must have expected that the police were going to turn a blind eye to some of what they do, some other sponsors expected to get increased protection, while still some others were hoping to get information of interest to them. This way, some of the police chiefs involved themselves in awkward situations, which often happened rather mechanically on their part, without their being aware of the possible impact. As to the magnitude of these pathologies, we will find that out after taking a look at what the inspectorate managed to uncover.

[TRYBUNA] So how should money for the MSW be obtained?

[Milczanowski] I recently submitted a report in the Sejm concerning the state of the country's security, and it went unnoticed. I regret the fact that the speech was ignored by a majority of the mass media, which at the same time are so critical of police measures.

I cannot imagine forms of financing the services guaranteeing public order and the state's security other than the state budget. Before 1989, about half of the ministry's budget was spent on property expenditures [wydatki rzeczowe], but these days the proportions have changed: Sixty five percent of the budget is devoted to personnel expenditures [wydatki osobowe], with the remaining 35 percent spent on property expenditures and investments. Out of that amount, one must also deduct several percent spent on de facto personnel expenditures. I mean additional benefits such as uniforms, housing assistance, and so forth. The situation is in sad shape, and, unless it changes, to lament the state of the country's security is a wasted effort.

[TRYBUNA] Before 1989, however, there was talk that the services were "too well off." The money the services receive remains practically out of the scope of control. More money should mean increased supervision, but you do not want to allow that.

[Milczanowski] That is not true. I have nothing against subjecting everything, apart from the operational fund, to control because that would mean an identification of human sources of information and a resultant collapse of the network of agents. Now tell me, how are the services supposed to conduct investigations or care for the country's security without agents? We have already had some experience in that regard. After the so-called file-checking scandal broke out, we reported a horrendous drop in the number of human sources of information.

[TRYBUNA] Does that mean that even a small group of sworn-in Sejm deputies could not have access to these data?

[Milczanowski] Recall what happened to the commission set up to examine the execution of the so-called file-checking law adopted by the Sejm. The Sejm deputies signed statements in which they obliged themselves to keep the secret, and, over a period of two to three hours after that, the secret data were leaked to the public.

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Also, it was not the case that nobody knew who was behind the leak: Some Sejm deputies spoke about the data in front of the cameras. I must draw the right conclusions from such experiences. I do not want to agree to file checking and access to the sources on the basis of which one could identify human sources of information because I do not want to be the "grave digger" for the police and special services.

[TRYBUNA] Do you think it is better not to know certain things?

[Milczanowski] No. The [special] service simply cannot reveal some things to the outside world. At any rate, regardless of the level of democracy, there are certain "sensitive aspects" in the work of special services. It sometimes happens that somebody is an agent with all formal requirements, with a signed statement and a file of his own, but he still delivers information that could be described as of little value. On the other hand, there are cases of somebody supplying a very important piece of information on a one-time basis. These are the "sensitive aspects" of both file-checking policies and supervision over the operational fund.

[TRYBUNA] Even though you oppose file checking, you supported a draft quasi-file-checking law entitled "On the Preconditions for Occupying Some Posts in the Polish Republic," which was submitted by the Democratic Left Alliance. The president says the law is bad because it makes it possible to blackmail people.

[Milczanowski] I am not familiar with the justification for this position by the president. I have not changed my mind on this issue. I think I will be able to get to know the president's motives in the near future. I regard the solutions suggested by the draft as a civilized and reasonable verification procedure with regard to candidates for important state posts. It also has another positive aspect: All of the other drafts, with the possible exception of the one coming from Sejm Deputy Jagielinski, are always centered around one problem: Was somebody an agent, or was he not? Is it not also important, however, to examine whether people who are candidates for state posts have a criminal record, such as a record of major economic offenses? Is it not important to determine whether they have met all of their obligations vis-a-vis the State Treasury? The final decision would be up to the president, the prime minister, and the Sejm and Senate speakers. They would have the answers to all of the important questions, which they would then use to make decisions.

[TRYBUNA] Such decisions would be essentially discretionary?

[Milczanowski] Without a doubt they would be discretionary, but they would be supported by a thorough amount of information.

[TRYBUNA] You predecessor, Minister Krzysztof Kozlowski, has said that burning all Security Service and Security Office files would be the best solution. Are the files really of so little reliability? Would it not be better to leave them intact, if only for research purposes?

[Milczanowski] In some units, up to 90 percent of files were destroyed. In many cases, we found items entered manually in inventory books, for instance, which were not affirmed by the officer's signature. So it is hard to speak of complete reliability of these materials. I think the best solution would be to just have the services secure the materials and to have access to them cut off for many years into the future.

[TRYBUNA] What about justice? It is justice that is demanded by those who want the files made public.

[Milczanowski] One of the arguments raised in the demands to make the files public is the fear that the files could provide grounds for blackmail. The idea of file checking, however, is serving the goal of blackmail even now. By refusing to make the files public I am acting not in the services' individual interest or in my individual interest but in accordance with rules that are in effect throughout the world.

[TRYBUNA] Meaning you want to promote professionalism?

[Milczanowski] Professionalism and emotionless moves. One must make very careful moves not just in the economy but also in the area of the country's security and public order. Professionals should be protected. That is the basic rule of the functioning of any firm or institution. One must be very careful not to "pour the baby out with the bath water" during the process of staff selection. We made a mistake, and now we have to do everything possible to find people in the police or in the special services. One becomes a good policeman after a few years, and the same applies to an intelligence or counterintelligence officer. The mistake was in the assumption itself. After the dissolution of the Security Service, the chief of the Office of State Protection should have been able to select personnel on his own, without a qualification commission.

[TRYBUNA] You mentioned the professionalization of the area of public security. When the government was being formed, however, you were designated as a minister coming from the Belweder...

[Milczanowski] I act according to the following rule: One should have one's own view and take a distanced position on things, while judging them without emotion. In my view, a minister cannot come up with a specific political orientation as an excuse. He must make decisions he regards as correct. It is unacceptable to have a situation where another minister and I would become the reason for a dispute between two power centers. If the president decides that he has someone better for the job or that I do not fit, for whatever reason, all he has to do is tell me about it. The problem will be over within 24

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hours and without any grievances being filed. I cannot be the reason or the sparking factor for political conflicts.

[TRYBUNA] You are not someone willing to compromise?

[Milczanowski] I am always willing to listen to somebody's arguments, but, before I make any major decision, I must make up my own mind on the issue. I admit that the state's interest is the most important value to me. I am very well aware that some of my decisions or views do not increase my popularity ratings, but I intend to be persistent nevertheless.

[TRYBUNA] Thank you for the conversation.

## Daily Surveys Financial Situation of Banks

*WS2607104594 Warsaw NOWA EUROPA in Polish 26 Jul 94 p 16*

[Article by Z.M.: "CUP on Banks' Financial Situation; Increasing Number of Bad Debts"]

[Text] In the first quarter of the year, banks achieved yields of 70 trillion zlotys [Z], which was over Z25 trillion more than in the same period of last year. The costs of obtaining yields, however, also increased (by almost Z25 trillion). The gross financial result was only slightly higher than a year ago. The net loss is increasing, the Central Planning Administration [CUP] reported.

The deterioration of the situation throughout the banking sector was to a large degree a consequence of the poor financial condition of cooperative and private banks. For example, the share of the yields of cooperative banks in the overall yields of the entire sector decreased from 15.8 percent to 10.9 percent. Their share in costs, however, increased from 23.5 percent to 25 percent.

The best results in the first quarter of the year were achieved by foreign and state-owned banks. They improved both their earning capacity index and their profitability index. As recently as 1993, state-owned banks showed negative earning capacity; after three months of this year, that figure was positive and amounted to 2.5 percent.

The financial results of commercial banks have deteriorated. Their gross earning capacity came to 20 percent and their net earning capacity to approximately 11 percent. Out of every Z1,000 of yields, these banks obtained a profit of Z94 (foreign banks—Z176).

### Increasing Number of Bad Credits

The credit portfolio of banks does not look very good. The share of irregular dues is increasing. In the first quarter of the year, they constituted 31.6 percent of the credit portfolio, compared to 31.2 percent in December 1993 and 30.2 percent in December 1992. The share of lost dues is increasing in the structure of bad debts.

Bad debts are growing the most slowly in nine commercial banks, which were established in 1989 from within the National Bank of Poland, and in mixed banks; they are increasing the fastest in cooperative banks as well as in a group of six banks among the biggest banks (if we exclude the nine).

The increase in the number of bad debts is a threat to the stability of the entire banking system.

In 88 commercial banks, deposits are not included in the state's guarantee. Seven of them are threatened with bankruptcy; in their liabilities, there are Z6 trillion in deposits. Twenty-one commercial banks register losses, while, in 15, the solvency index is negative. A similar situation is observed in 80 to 100 cooperative banks.

A positive influence on the condition of banks should be exerted by the amendment of the law on income tax in legal entities, which makes it possible to create reserves for lost credits, without taxing them.

### Expensive Obligatory Reserves

The lowering of central bank interest rates in May of this year did not do much to make bank credits cheaper or to increase the willingness to invest money. According to bankers, a reduction in interest rates alone, without decreasing obligatory reserves, which would mean decreasing the costs of obtaining deposits, is not enough to considerably lower the price of credits.

For commercial banks, the rates of obligatory reserves are inactive assets and affect the costs of obtaining deposits. Banks pay customers for all of the money deposited, whereas part of that money, locked into the reserve account, does not yield any profit. They also affect the cost incurred by credited parties when they want to receive a credit. The higher the rate of reserves, the higher the costs of obtaining money and, as a consequence, the higher the credits.

Right now, banks are allocating for obligatory reserves 23 percent of customers' zloty-denominated sight accounts [srodki zlotowe klienta platne na kazde zadanie] and 10 percent of fixed-term accounts. At the end of March, the sum of obligatory reserves came to Z51.2 trillion and was 36.2 percent higher than in the same period of last year.

Since February of this year, banks have also been allocating part of the money in foreign exchange accounts toward the obligatory reserves. In the case of sight accounts, it is 0.75 percent of the equivalent value of foreign currencies in zlotys, and, in the case of fixed-term accounts, 0.5 percent. The introduction of the obligatory reserves calculated from foreign currencies' deposits did not result in a lowering of the interest rates of deposits or an increase in the price of credits.

### A Cautious Credit Action

As a consequence of the high risk of credit activity, banks are very cautious in extending credits to economic units.

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Credits are usually granted for short periods to companies characterized by a low level of risk. The high level of interest rates for credits under conditions of relatively poor financial results of enterprises (only approximately 25 percent of firms exhibit an earning capacity of over 10 percent) is a barrier for effectively utilizing credits; in the case of some credited parties, it further deteriorates the debt trap.

In seven commercial banks that received additional capital from the State Treasury bonds, bad debts are an increasingly less significant problem.

As a result of the implementation of the law on the restructuring of banks and enterprises, corrective actions were started on 83 percent of bad credited parties. Banking settlement proceedings were most often used—less often, judicial agreement proceedings or civil-legal settlements. Banks began banking settlements procedures toward state-owned enterprises (44 percent of debts), as well as toward Treasury-owned joint-stock companies (28 percent) and regular joint-stock companies (22 percent).

Approximately 17 percent of the credit portfolio, which was the basis of adding the capital, is not fit for restructuring. Toward these debtors, banks have already instituted bankruptcy proceedings or put their debts up for sale. The bankruptcy of 162 firms was announced; as much as Z620 billion of banks' money was involved there. Banks put up for sale the debts of 378 debtors. That amounted to Z2.4 trillion. In this way, they regained approximately 23 percent of the capital and 12.2 percent of the interest.

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## Coposu Makes Proposals for CDR Reorganization

*AU2507141794 Bucharest EVENIMENTUL ZILEI in Romanian 21 Jul 94 p 6*

[Letter by Corneliu Coposu, president of the National Peasant Christian Democratic Party, PNTCD, to PNTCD Vice President Ion Diaconescu from Germany on 18 July 1994; all figures as published: "Corneliu Coposu's Proposals on Reorganizing the Democratic Convention"]

[Text] The current turmoil within the Democratic Convention [CDR]—caused by contradictory discussions on the way to reorganize the alliance, as requested by several parties and groupings—has reached the ears of the public through certain warlike statements made by the Civic Alliance Party [PAC], the Liberal Party 1993 [PL'93], and the National Peasant Christian Democratic Party [PNTCD].

In spite of all that, at the PNTCD news conference held last Monday [18 July], Senator Valentin Gabrielescu presented the PNTCD's proposals as submitted to the CDR Secretariat. However, the greatest importance devolves on the position of that party's president, Corneliu Coposu, a stance which the public has been awaiting with interest. The PNTCD president was admitted to a hospital near Frankfurt, Germany, suffering from pneumonia, something which has kept him away from Romanian political life for a while.

EVENIMENTUL ZILEI will now present the document containing the position of PNTCD President Corneliu Coposu on the CDR reorganization. Therefore, Corneliu Coposu has asked Ion Diaconescu, PNTCD first vice president, to uphold the CDR's reorganization on the basis of the share of the constituent parties, a share which will be calculated in accordance with points for various criteria, which we are going to present forthwith.

We have no doubt that Corneliu Coposu's proposal will cause many reactions among the CDR member parties. However, we will do our duty and present this important political document.

To Mr. First Vice President Ion Diaconescu

In order to ensure a good and loyal functioning of the CDR and to avoid disputes on the hierarchy of the ratio of the members of the alliance, we call for working out a protocol to establish the relations among the political forces participating in the alliance. Of course, it would be ideal for all decisions to be adopted with the unanimous consensus of the participants. However, we must also take into account the unwanted prospect that such a consensus cannot be reached in certain spheres; consequently, it is necessary to establish certain criteria for working out the various decisions. Recent experiences have shown that, by making common cause, several parties totally devoid of political weight have jeopardized the unity of the Convention in taking certain important decisions.

It is inconceivable that three or four political groupings, with a very limited popularity—jointly representing some 2-3 percent of the electorate—should counter a decision supported by the political representation of 90 percent of the opposition's electorate. We believe that it is absolutely necessary to establish a guiding register placing each grouping on the hierarchical scale of its own electoral value.

Therefore, we propose that we put together a guiding table, on the basis of the following criteria:

**I. Criteria of Representation for Political Groupings:**

a) Criteria of representation through elected dignitaries.

b) Criteria of representation through constituted organizations.

c) Parliamentary activity.

d) Extraparliamentary activity.

e) Other criteria.

| I. a) Criteria of Representation Through Elected Dignitaries for: | |
|---|---|
| 1 senator | 100 points |
| 1 deputy | 80 points |
| 1 municipality mayor | 60 points |
| 1 deputy municipality mayor | 28 points |
| 1 town mayor | 25 points |
| 1 deputy town mayor | 13 points |
| 1 chairman of county council | 22 points |
| 1 county or sector counselor | 14 points |
| 1 rural locality mayor | 10 points |
| 1 rural locality counselor | 7 points |

| I. b) Criteria of Representation Through Constituted Political Organizations for: | |
|---|---|
| 1 county or Bucharest sector organization | 200 points |
| 1 municipal organization | 90 points |
| 1 town organization | 70 points |
| 1 commune organization | 30 points |
| 1 village organization | 10 points |
| Number of members | 1/100 points |
| 1 special central organization | 100 points |
| 1 county or sector organization | 30 points |
| Number of rallies organized by the party in municipalities | 40/1 points |
| Number of rallies organized by the party in other localities | 20/1 points |
| Number of delegates to the voting sections at the last elections | 1/4 points |

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| I. c) Parliamentary Activity: | |
|---|---|
| Speeches | 60/1 points |
| Addresses | 20 points |
| Interpellations | 15 points |
| Press interviews | 30 points |

| I. d) Extraparliamentary Activity: | |
|---|---|
| Participation in symposiums | 25/1 points |
| Addresses to conferences | 10/1 points |

| I. e) Other Criteria: | |
|---|---|
| Publishing a newspaper | 100/1 points |
| Publishing a weekly | 150 points |
| Publishing a monthly bulletin | 60 points |

| II. Criteria of Representation for Nonparty Groupings, With Civic Character: | |
|---|---|
| a) Number of members | 1/50 points |
| b) Number of central organizations | 100/1 points |
| c) Number of county of Bucharest sector organizations | 60/1 points |
| d) Number of municipal organizations | 30/1 points |
| e) Number of town organizations | 20/1 points |
| f) Number of village organizations | 10/1 points |
| g) Participation in symposiums | 20/1 points |
| h) Organization of rallies in municipalities | 40/1 points |
| i) Organization of rallies in other towns | 20/1 points |
| j) Delegations to the ballot sections in the previous elections | 1/2 points |
| k) Addresses to conferences | 10/1 points |
| l) Newspaper printed | 300/1 points |
| m) Weekly magazine printed | 150 points |
| n) Monthly bulletin printed | 60 points |

The summing of the points resulting from the statistical table will give an equitable picture of the share of the various political groupings.

The data offered by the results of the latest elections can also be used as a guideline. For the groupings that ran separately in the respective (administrative and legislative) elections and for the groupings which were the object of recent public opinion polls, one can also take these data into consideration. Establishing the hierarchy of the political weight of the CDR component groupings can also be used in appointing the candidates for the next administrative and legislative elections. The protocol on the criteria for the designation of candidates must be augmented with clear guidelines regarding the priority of seats and priorities.

The register will be drafted within the CDR central organizations, on the basis of statistics released by the interested groupings. In case of protests, the exactness of the data will be checked in the presence of the local representations of the respective groupings.

In order to make all this work easier, it would help if all groupings were to forward the tables with the aforementioned centralized data to the central leadership. The commission in charge of checking this data will be empowered to request the relevant numerical and nominal tables in order to confirm the data submitted to it.

Dear Nelu [diminutive of Ion],

I follow the unrest with the CDR and I believe that one should strive to clarify the situation and put together such a guiding register. I have sent several suggestions for various ways and means of establishing priorities and hierarchies. All of you should also come up with some recommendations and suggestions. Anyhow, we firmly support the presence of the Civic Alliance and the Association of Former Political Detainess of Romania in the CDR Bureau, and insist upon the need to establish the hierarchy of the weight of the component groupings.

I send best wishes to everyone,

[Signed] Cornel Coposu, 18 July 1994

## Politicians React to Proposals

*AU2507164494 Bucharest CURIERUL NATIONAL in Romanian 22 Jul 94 p 3*

[I.R., A.D. report: "Reactions Within the Democratic Convention of Romania"]

[Text]

**Dinu Patriciu (Liberal Party-1993)**

Mr. Corneliu Coposu's view is yet more proof that there are no basic differences between the position of the Liberal Party-1993 [PL'93] and the National Peasant Christian Democratic Party [PNTCD]. On the contrary. One now has to discuss a system of establishing the hierarchy of the groupings making up the CDR [Democratic Convention of Romania]. Our party, since we are liberals, suggests a competitive system. Our electoral system allows the separate participation of the CDR member grouping in the local elections. The results of these elections can become the criterion for putting together the electoral lists for the general elections. This is how the French Democratic Union has been functioning for more than 20 years.

**Sergiu Cunescu (Social Democratic Party of Romania)**

We, our party, do not agree with the suggestions contained in Mr. Coposu's letter, which is a PNTCD proposal. However, all other parties have formulated their proposals and we have formulated ours, which were forwarded to CDR headquarters last Monday [18 July].

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Our proposals differ from the PNTCD proposals and we believe that negotiations should be conducted to reach certain common viewpoints. I hope that this letter will not lead to the CDR's dismemberment. We aim at and want to be the cement of this alliance.

**Valentin Gabrielescu (PNTCD)**

First of all, I am surprised that the letter reached the press before reaching us. There are not too many differences between the contents of the letter and the contents of my statements at various news conferences. Mr. Coposu also includes certain figures in his letter. I have not presented any figures until now because I thought that we would discuss and negotiate them together. However, if he deemed it necessary to make them public.... Anyhow, there are no major differences of principle.

**Nicolae Manolescu (Civic Alliance Party-PAC)**

Having read the proposals put forward by Mr. Corneliu Coposu regarding the CDR, I must confess that I find it increasingly harder to understand the PNTCD's wishes. Only a few days ago, Mr. Valentin Gabrielescu, PNTCD general secretary, said that there was no need for important changes in the CDR. Now, Party President Mr. Coposu stresses the very need for substantial changes, in accordance with some tables that we promise to study carefully. The question is: What are the PNTCD's intentions regarding the CDR? Does it want changes or not? Does it want to follow Mr. Coposu's line or Mr. Gabrielescu's line? I believe that saying one thing today and another thing tomorrow is not a very serious way of discussing things. The PNTCD categorically wants 50 percent of the lists of candidates, while the rest should fend for themselves. However, if each party within the CDR were to come up with such concrete proposals in figures, what would happen? Such things are usually negotiated, not pushed through. Especially since the PNTCD proposals have a negative tinge attached to them. Five out of seven contain a negative adverb. We realize that the PNTCD knows best what it does not want. Nevertheless, we maintain that a single party cannot talk on behalf of the CDR, which is an alliance of independent parties, with a common denominator, and not a super-party, at the mercy of one or another member grouping.

## Doctors Stress Iliescu Recovering 'Normally'

*AU2507150194 Bucharest Radio Romania Network in Romanian 1300 GMT 25 Jul 94*

[Text] A communique received from the presidency spokesman emphasizes that following a medical check-up at 1300 hours [1000 GMT] today it was ascertained that the state of health of Romania's President Mr. Ion Iliescu is progressing normally for a third day following surgery.

The communique is signed by University Professor Doctor Iulian Mincu, minister of health, Doctor Alexandru Leu, Doctor Mihai Carstea, Doctor Stefan Dumitrescu, Doctor Gheorghe Dinescu, and University Professor Doctor Dan (?Sevlacec).

## Health Ministry Statistics on AIDS Cases

*AU2307161994 Bucharest ADEVARUL in Romanian 19 Jul 94 p 10*

[Text] We received the following figures on AIDS cases known by 30 June 1994, bearing the signature of Dr. Valentina Simion, inspector of the Direction for Preventive Medicine and Health Promotion of the Ministry of Health:

**Table 1**
**Distribution of AIDS Cases Per County**
**30 June 1994**

| County | Adults | Children | Total |
|---|---|---|---|
| Alba | 1 | 0 | 1 |
| Arad | 2 | 6 | 8 |
| Arges | 1 | 2 | 3 |
| Bacau | 1 | 138 | 139 |
| Botosani | 1 | 54 | 55 |
| Braila | 1 | 13 | 14 |
| Brasov | 2 | 32 | 34 |
| Bucharest | 114 | 272 | 386 |
| Buzau | 1 | 5 | 6 |
| Calarasi | 1 | 60 | 61 |
| Caras Severin | 1 | 54 | 55 |
| Cluj | 1 | 0 | 1 |

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| | | | |
|---|---|---|---|
| Constanta | 35 | 364 | 399 |
| Covasna | 0 | 5 | 5 |
| Dambovita | 9 | 25 | 34 |
| Dolj | 4 | 146 | 150 |
| Galati | 5 | 142 | 147 |
| Giurgiu | 2 | 184 | 186 |
| Gorj | 0 | 3 | 3 |
| Harghita | 2 | 5 | 7 |
| Hunedoara | 0 | 17 | 17 |
| Ialomita | 2 | 56 | 58 |
| Iasi | 3 | 24 | 27 |
| Mehedinti | 0 | 3 | 3 |
| Mures | 1 | 142 | 143 |
| Neamt | 0 | 41 | 41 |
| Olt | 2 | 43 | 45 |
| Prahova | 3 | 38 | 41 |
| Salaj | 1 | 0 | 1 |
| Sibiu | 1 | 70 | 71 |
| Suceava | 1 | 16 | 17 |
| Teleorman | 4 | 20 | 24 |
| Timis | 0 | 9 | 9 |
| Tulcea | 4 | 6 | 10 |
| Vaslui | 1 | 3 | 34 |
| Valcea | 1 | 24 | 25 |
| Vrancea | 2 | 90 | 92 |
| **TOTAL** | **204** | **2,643** | **2,847** |

**Table 2**
**Distribution of AIDS Cases Registered in Romania According to Sex and Age Groups**

| Age Group | Males | Females | Total | Percentage |
|---|---|---|---|---|
| 0-11 months | 271 | 212 | 483 | 17.0 |
| 1-4 years | 1,142 | 798 | 1,940 | 66.1 |
| 5-9 years | 130 | 85 | 215 | 7.6 |
| 10—12 years | 4 | 1 | 5 | 0.2 |
| 13—14 years | 4 | 4 | 8 | 0.3 |
| 15—19 years | 4 | 3 | 7 | 0.2 |
| 20—24 years | 10 | 21 | 31 | 1.1 |
| 25—29 years | 15 | 18 | 33 | 1.2 |
| 30—34 years | 19 | 18 | 37 | 1.3 |
| 35—39 years | 15 | 19 | 34 | 1.2 |
| 40—49 years | 18 | 13 | 31 | 1.1 |
| 50—59 years | 13 | 7 | 20 | 0.7 |
| 60 years and over | 3 | 0 | 3 | 0.1 |
| Unknown age | 0 | 0 | 0 | 0.0 |
| **TOTAL** | **1,648** | **1,199** | **2,847** | **100.0** |

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### Rose Recommends Reopening Sarajevo Airport

*LD2507172494 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatian 1600 GMT 25 Jul 94*

[Text] Sarajevo airport was closed during the weekend following the attacks on UN planes, says a statement issued at the UN Protection Forces [UNPROFOR] headquarters in Zagreb. UN planes were shot at on four successive days and five planes were hit. One civilian and one soldier were wounded in these attacks, the statement says. It adds that UNPROFOR located some positions during the weekend from which the planes were shot at; at least one position was held by each side in the conflict.

General Michael Rose, UNPROFOR commander for Bosnia-Herzegovina, has recommended that Sarajevo airport be reopened.

### UN Calls on Serbs To Pull Gun From Gorazde

*AU2507130394 Paris AFP in English 1128 GMT 25 Jul 94*

[Excerpt] Sarajevo, July 25 (AFP)—The UN Protection Force (UNPROFOR) Monday called on Bosnian Serbs to pull out an anti-aircraft gun from the Gorazde heavy weapon exclusion zone or face "action", a spokesman said here.

Meanwhile, Sarajevo airport, which closed at the weekend in the wake of attacks against five planes, Monday reopened after Bosnian Serbs pledged not to fire at planes, a UN spokeswoman said.

UNPROFOR spokesman Commander Eric Chaperon said a letter was being sent to the Bosnian Serbs after a triple-A anti-aircraft gun opened up Sunday in the eastern Bosnian enclave on Moslems harvesting their fields.

One woman was killed and one man slightly wounded, Chaperon said.

The presence of the weapon inside the 20-kilometer exclusion zone was a "clear violation" of the ban, and a letter of warning was being sent to the Serbs, UN spokeswoman Claire Grimes said for her part.

The Bosnian Serbs had also fired on the harvesters in breach of an agreement between the two sides for a 10-day harvesting truce, she said.

The North Atlantic Treaty Organisation in April said it would launch air strikes on Bosnian Serb heavy weapons and other military targets within a 20 kilometer range (12.5 miles) radius of the centre of Gorazde unless heavy weapons were pulled out of the zone by April 27.

It was not clear when the triple-A gun resurfaced in the area.

Both Gorazde and Sarajevo have been declared heavy weapon exclusion zones.

The letter of warning will make clear that the UN "shall take stronger action if the triple-A is not moved from the 20 kilometer zone," Grimes said.

Asked what action would be taken, Grimes said: "we shall cross that bridge when we come to it."

The gun had been clearly identified a good five kilometers inside the exclusion zone, in the vicinity of an UN observation post in the southwest of Gorazde pocket, Chaperon said. [passage omitted]

### UN Spokesman: Weapons Still in Exclusion Zone

*AU2607122294 Paris AFP in English 1141 GMT 26 Jul 94*

[Text] Sarajevo, July 26 (AFP)—Heavy weapons could still be in the exclusion zone around the Serb-besieged eastern Bosnian enclave of Gorazde, in addition to an anti-aircraft gun and mortar already identified, a UN spokesman spokesman said here Tuesday [26 July]. The number of firing incidents in the Moslem enclave increased to 65 Monday and some of them "may have involved heavy weapons," said Commander Eric Chaperon, spokesman for the UN Protection Force (UNPROFOR). The North Atlantic Treaty Organisation in April said it would launch air strikes on Bosnian Serb heavy weapons and other military targets within a 20 kilometer range (12.5 miles) radius of the centre of Gorazde unless heavy weapons were pulled out of the zone.

On Sunday the Serbs fired on Bosnian forces from a 40mm anti-aircraft gun and fired a 82-mm mortar on Monday. However, a lack of freedom of movement prevented UN forces in Gorazde from visually confirming the reports on the weapons, Chaperon added. The only confirmed weapon was the mortar firing Monday. Chaperon backtracked on a statement Monday that the anti-aircraft gun was "in clear vision" of UN forces on the ground. Further efforts would be made Tuesday "both on the ground and in the air" to get the confirmation, he added.

On Monday, UNPROFOR called on Bosnian Serbs to pull out the anti-aircraft gun from the Gorazde exclusion zone or face "action."

### UN Officer Cites Problem Areas in Federation

*LD2507214494 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 25 Jul 94*

[Text] Central Bosnia sets a good example to be followed by all other regions within the Croat-Bosniak federation as regards the implementation of the peace agreement, Colonel McCall, commander of the British UN Protection Force battalion in Vitez, said today. He singled out two areas where the implementation of the peace accord has been delayed, with Muslim-Croat relations deteriorating every now and then. One area comprises the towns of Usora, Tesanj, and Zepce, and the other one is Gornji Vakuf. The problems concern both military and civilian

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officials who are awkward to cooperate with, McCall said. The federation's officials have already been informed about this.

### Expelled Mostar Serbs Oppose EU Administration

*LD2507142794 Pale Srpski Radio-Televizija Studio Sarajevo Radio in Serbo-Croatian 1300 GMT 25 Jul 94*

[Text] The Mostar problem cannot be solved without the Serbs, and Mostar Serbs will never give up the left bank of the Neretva River, where more than 45,000 of them lived before the war, a statement issued in Nevesinje by the Serb municipality of Mostar warns today.

The statement was issued after the inauguration of the EU [European Union] administration in Mostar, with German politician Hans Koschnik as its administrator.

According to the statement, the Serbs will return to Mostar but not under German administration or even less so Croat and Muslim administration. They will return to the left bank of the Neretva River, which will be part of the Srpska republic.

### Serbian Liberation Battalion in Tuzla Formed

*AU2507191294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 25 Jul 94*

[Text] Today in the Bosnia-Herzegovina Army 2d Corps Headquarters in Tuzla a news conference was held by the representatives of the Serbian Consultative Council [SKV] and fighters of Serbian nationality in the Tuzla defense units.

Salih Brkic reports:

[Begin Brkic recording] By forming a unit—most likely at the battalion level to start with, within the 5th Operative Group of the 2d Corps in Tuzla—with the prefix Serbian, our aim has been to show once again that we are committed to the defense of our homeland, the Republic of Bosnia-Herzegovina. At the same time we would like to express our gratitude for the wholehearted support that we have received from Brigadier General Hazim Sabic, commander of the 2d Corps. This was said today at the news conference by the representatives of the SKV in Tuzla, and the prominent fighters of Serbian nationality from the Tuzla defense units.

Explaining the national makeup of this unit—and because of the dilemmas that appeared in public—the SKV's Tuzla chairman Miso Bozic said that it would not be mononational. Its members will also comprise representatives of the Bosniak-Muslim people, the Croatian people, and also other nations. This will also be a reason for the Serbs from the occupied territory to consider seriously just where the aggressor's leaders are leading them, and to come over to our side, Miso Bozic said.

The other participants in the news conference held similar views, among them Momcilo Djuric and Rade Gojic. If the unit is not multinational, Momcilo Djuric said, including the command structure, than it will not be formed. We are Bosnians first and only then Serbs, Rade Gojic said.

The preparations for the formation of this unit are under way. As for the aggressor's tales that these are all forcefully mobilized Serbs, the best answer to these was given by Bosko Milic, who said that he had indeed been forcefully mobilized, but it was by chetnik madness, the shelling, the destruction of Bosnian cities, and Karadzic's attempts to enslave Bosnia. [end recording]

### Serbian Forces Fire Mortar at Sarajevo

*AU2507182194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 25 Jul 94*

[Text] The [Bosnia-Herzegovina Army] 1st Corps Information Service reports that today a 60-mm mortar was fired from the enemy position at Stara Pivara, exploding at Vrbanja Bridge in Sarajevo. Otherwise it has been relatively quiet during the day with sporadic small arms fire.

The situation has been as usual in the theater of Operations Group 3 on the Vares-Olovo front. The aggressor has continued to shell the defense lines and populated places indiscriminately. A sniper was also active.

### Serbs Launch Artillery Attack in Travnik

*AU2507181894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 25 Jul 94*

[Report by Bosnia-Herzegovina Army 7th Corps Press Center]

[Text] Throughout the day, since early morning, the aggressor has been launching combined infantry-artillery attacks on our defense lines on the Mt. Vlasic front with the aim of recapturing the recently liberated territories. The aggressor has been attacking with everything he has—including mortars, howitzers, and tanks—and has tried several infantry breakthroughs. Despite all these attacks, the defense lines have remained firm and stable, not moving even an inch.

As on all the other territories, the chetniks in the 7th Corps theater of operations normally retaliate for such failures by shelling civilian targets and populated areas. Travnik has thus been exposed to the aggressor's wild attacks since 1400. One person suffered serious injuries, and considerable material damage was caused. The general alarm in the town is still in force. The fighters of the 7th Corps are on the defense lines as the best guarantee that all that the chetniks can do in our country is leave their bones behind.

### Serbian Mortar Kills 9 Civilians in Maglaj

*AU2507175894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 25 Jul 94*

[Report by Hajrudin Sermic from Maglaj]

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[Text] Late this afternoon, the chetniks again carried out a heinous massacre against the civilian population of Maglaj. A little after 1820, Karadzic's murderers from their stronghold on Mt. Ozren fired a 120-mm mortar at the center of the town. Nine people were killed by the shrapnel, three of them five-year-old children.

It was an apparently quiet day, but a day that reveals Maglaj's everyday life and the ever-present danger of moving around. Let me add to this that over the last four days, two civilians have been killed and 15 wounded.

### UN Envoy Criticizes Human Rights Abuses

*AU2607072894 Paris AFP in English 0045 GMT 26 Jul 94*

[Text] Zagreb, July 26 (AFP)—UN envoy Tadeusz Mazowiecki said Monday [25 July] human rights violations in Bosnia-Herzegovina were "serious."

Mazowiecki, a former Polish prime minister who is special United Nations rapporteur on the situation in the former Yugoslavia visited several Bosnian regions last week but Bosnian Serbs would not let him into Banja Luka, the biggest city in the Bosnian Serbs' self-styled republic.

He had tried to make the trip after a very large number of alarming reports on human rights abuses from the Banja Luka region.

"I was no luckier than Mr. Akashi," said Mazowiecki, referring to the Serbs' refusal to let special UN envoy Yasushi Akashi visit the city.

Mazowiecki said that refugees from the Banja Luka region whom he recently met complained that ethnic cleansing continued in the area.

"Brutal coercive methods were replaced lately by more subtle methods, but this does not change the fact that ethnic cleansing is pursued," he said.

Mazowiecki said he was also "shocked" by the extent of destruction of the Herzegovina city of Mostar, particularly in its Moslem sector.

The city was until recently the scene of bloody fighting between Croats and Bosnian Moslems.

Mazowiecki is to travel to Bihac in western Bosnia Tuesday where maverick forces of Bosnian Moslem leader Fikret Abdic fight it out with Bosnian Moslem government troops loyal to President Alija Izetbegovic.

He is also to visit Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] where a census was carried out in late June and early July to establish the ethnic makeup of the former Yugoslav republic which has a large Albanian minority.

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### Government Protests Over Shelling Near Dubrovnik

*LD2507114094 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 25 Jul 94*

[Text] Last night between 1830 and 1900, several shells landed on the hinterland area of Dubrovnik, according to the Croatian Interior Ministry's public relations office. They inflicted negligible material damage, and their explosions could be heard in the surrounding area. Following this event, the Croatian Government has lodged a sharp protest with the UN Security Council and the UN Secretariat General, because it regards this as a fresh Serb provocation and an attempt to put pressure on the Geneva negotiations.

### Refugees' Blockade To Continue Till 1 Aug

*LD2507175194 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 25 Jul 94*

[Text] The executive committee of the community of refugees decided at its session today that the blockade of the UN peacekeeping forces will continue throughout Croatia until 1 August, by which time the Croatian Government and the UN Protection Force [UNPROFOR] should determine in direct negotiations the opening up of five official crossings [to the republic of Serb Krajina].

In its conclusions, the executive committee demands that representatives of the community of refugees, the Croatian Government, and UNPROFOR draw up guidelines by 30 July on how to supervise the transport of goods in accordance with the newly-agreed UNPROFOR requirements. The executive committee, we read in its conclusions, will make a decision on its future actions in line with the results of talks between the government officials and UNPROFOR representatives, which should be held in Zagreb on Wednesday. Deadlines for meeting the refugees' demands are to be set at the meeting.

### Mikelic: Italy Entitled 'To Have' Istria

*AU2507174894 Belgrade NEDELJNA BORBA in Serbo-Croatian 23-24 Jul 94 p 20*

[Report by D. M.: "Italy Has the Right To Have Istria"]

[Text] Knin—"I have decided to visit Italy within the next 20 days. Apart from meeting the leading people of the National Alliance, I will also be meeting prominent Italian state officials," Borislav Mikelic, prime minister of the republic of Serbian Krajina, said in Knin yesterday. "The aim of my visit is to acquaint the Italian public directly with the situation in the republic of Serbian Krajina and I expect that, following my visit, Italy will be one of the first to try to break the international blockade on the republic of Serbian Krajina. During my contacts in Italy, we are also going to talk about the Osimo Agreement, which I personally consider to be invalid since the former SFRY fell apart. Somebody who has been expelled from a certain territory has the natural right to return to that territory when the conditions are there. In a word, Italy has the right to have Istria," Borislav Mikelic pointed out.

### Defense Council Discusses Talks With IMF

*LD2507210194 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 25 Jul 94*

[Text] A few minutes ago we received a report saying that Croatian President Dr Franjo Tudjman presided over a session of the Council of Defense and National Security in Brioni this evening.

According to a statement, the Council discussed the preparation of an IMF letter of intent. It was assessed that the Croatian government representatives, in negotiations with the IMF representatives so far, have achieved a high degree of convergence of views; the letter is expected to be signed soon. This will enable the Republic of Croatia to obtain an important influx of fresh capital for rebuilding the economy, but at the same time this will require consistent implementation of the stabilization program and the overall restructuring of industry.

The Council voiced support for the government measures which will almost completely eradicate inflation this year and further strengthen the Croatian kuna, says the statement from the session of the Council of Defense and National Security.

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## Gligorov Views Effects of U.S. Recognition

*AU2507164294 Budapest UJ MAGYARORSZAG in Hungarian 23 Jul 94 p 15*

[Interview with FYROM President Kiro Gligorov by unidentified correspondent; place and date not given: "Who Is Disturbed by Macedonia?"]

[Text] Those who, a few years ago, conducted talks on the fate of the former Yugoslavia in the name of Europe, mention in their memoirs as a generally known fact that Macedonian [the Former Yugoslav Republic of Macedonia—FYROM] President Kiro Glogorov was the only sober and patient negotiating partner of all the former Yugoslav leaders. Owing to his stubborn determination that Macedonia would respect the interests of others, certain domestic groups often accused Gligorov of an inclination to yield and of not conducting "sufficiently patriotic" politics. However, in the Balkans, too, there are many criticisms of him. A few years ago, official sources in Athens accused him of "being removed from realities," while other neighbors note that "nothing is certain or complete with Macedonia" and they more or less openly measure up certain areas of the state or announce scientific conferences at which the "Macedonian issue would be resolved once and for all." Naturally, at the beginning of the interview, we asked Gligorov to comment on the U.S. recognition of Macedonia.

[Gligorov] Undoubtedly, this recognition is very significant for us because the United States is the only superpower in the world, and it is a determining member of the Security Council and other international military and civil organizations. The assumption that they do not have any real weight until the United States recognizes us—in other words, the Balkan events could have different scenarios—was behind all former recognitions, including the European Community, the United Nations, or China. This recognition is the precondition for us to be present as a separate entity, and internationally seen as a separate entity, at all future talks. You will immediately see what this means if you look back in history to the Balkan wars and the two world wars and see that we were never able to influence the talks on Macedonia's legal status in these events.

[UJ MAGYARORSZAG] What does the presence of foreign troops in Macedonia mean for Macedonia and for the region? In a recent interview, for example, [onetime aide to Tito, later dissident politician] Milovan Djilas said that the presence of foreign troops was the only reason that Macedonia still belongs to the Macedonians.

[Gligorov] The deeper and real meaning of the U.S. military presence—even if only a symbolic 300 men—undoubtedly expresses the U.S. intention to prevent the Balkan conflict from spreading further south. From their point of view, if Macedonia were drawn into the war, it would mean that the war was raging on the borders of a NATO member state, namely Greece. This would involve the danger that all Macedonia's neighbors would become involved in the war, and then Turkey, another NATO member state. This would have far-reaching consequences for the United States precisely regarding its strategic interests. This conflict would be more dangerous than the Bosnian war which, although it shook Europe and has had an effect on several world events, remained contained. The Bosnian war—at least up to now, assuming that it does not spread further south—does not have any effects that could spark off a war on NATO's southern flank. The other reason for this U.S. action, in my view, is that Macedonia is living proof of the possibility of solving ethnic problems without arms. I am not idolizing anything but we are proof that tolerance and cooperation is possible between ethnic groups. All in all, although few troops are stationed here, their presence clearly indicates for everyone whom they would face should the conflict be extended to Macedonia. It is much more of a political than a military warning.

In the case of mutual recognition with the FRY (little Yugoslavia), the issue of Kosovo would also be seen in a completely different light. As long as fears of the war spreading to the south do exist, speculations are also possible that some kind of pan-Albanian solution will be sought in this region. This indeed encourages those forces that also exist in the other republics of the former Yugoslavia as advocates of great nation states. In this respect, we are an exception because from the first moment we openly said that a Macedonian state is only possible within its current borders. All else is adventurism and failure.

[UJ MAGYARORSZAG] Greek Prime Minister Papandreou described the U.S. recognition of Macedonia as your unrealism, namely that they did not count on all the possible consequences. What are your views on your future relations with Greece?

[Gligorov] I can only see negotiations. For example, it is ridiculous to talk about some kind of Macedonian designs on Greece. Greece keeps demanding that we give guarantees on the inviolability of borders, when, in the meantime, we keep repeating the same thing. We have suggested bilateral talks on this issue and we are ready to sign an agreement at any time, if necessary, with the guarantees of the European Community or the United Nations. The Greek way to Europe is through Macedonia and our way out to the world is through Greece, not to mention our other common interests. While our interests are so similar, why do we need to continue these present conflicts on either side when these conflicts are largely imaginary, emotional, and laden with a kind of perception of historical heritage?

[UJ MAGYARORSZAG] We assume that you represented the same views at the "talks of the six" (the unsuccessful attempt by the presidents of the six federal Yugoslav republics to separate peacefully—editor's note) in the former Yugoslavia. Why did you not succeed with them?

[Gligorov] This depended on the will of all the participants and nothing could be reached by force. I believe that we failed to use a very significant moment that was

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underestimated by some and seen as a trap by others. I am talking about the European Community's offer to accept Yugoslavia as an associate member if it managed to find a peaceful solution to the crisis here, and $4.5 million was already prepared for this purpose. However, no willingness was shown to accept this kind of offer, either because some people did not believe in it or because they were already thinking of the solution that later led to the fighting.

### Crvenkovski Discusses Purchase of Oil Reserves

*AU2507165194 Skopje MILS-NEWS in English 25 Jul 94*

[Unattributed report: "Winter Preparations"]

[Text] During his visit to Makpetrol-Skopje, the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Prime Minister Crvenkovski discussed with the largest Macedonian petrol firm's management on purchasing needed quantities of oil and oil derivatives for both the industry and population in the winter period. They focused on transportation issues, cooperation with business partners and authorities in Albania and Bulgaria. Prime Minister Crvenkovski expressed readiness on part of the government to get engaged in helping Makpetrol realize these plans.

### Constitutionality of Election Law Questioned

*AU2507165394 Skopje MILS-NEWS in English 25 Jul 94*

[Unattributed report: "Government To Be Blamed for Elections Without Albanians?"]

[Text] The leadership of the People's Democratic Party of Albanian [NDP] in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] issued a public statement, to say the recent parliamentary session concerning the elections clearly showed government manipulations might easily result in a blockade with serious consequences for Macedonia.

The NDP demanded changes of the Law on Electoral Units, but met with no support of the coalition partners. Therefore, it initiated a procedure at the Macedonian Constitutional Court, to evaluate the constitutionality of this law. The statement also says the Macedonian government will be to blame should Albanians refuse to participate in the next elections.

### Statistics Bureau Receives 'Census Material'

*AU2507164694 Skopje MIC in English 25 Jul 94*

[Unattributed report: "Census Material Starts Coming In"]

[Text] After the completion of the first phase of Census 1994, in which the population and households in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] were listed, these days, in the presence of authorized personnel, and in accordance with the Law for Census, the basic census material from the Municipal Census Commissions started coming into the Republic Bureau of Statistics.

The original census material from 22 municipalities were received at the Bureau. The first results from the basic insight were made by the Municipal Commissions, in cooperation with the state inspectors. They showed that the statistical research was correct, and in line with the Census Law. The first results from the census will be made public this fall, after the data from the census materials from the census made abroad, is also systemized.

### Serbian Leader Denies Secret Military Activity

*AU2507165794 Skopje MILS-NEWS in English 25 Jul 94*

[Unattributed report: "In Case of War—On Same Side"]

[Text] At last Friday's press conference, Dragisa Miletic, leader of the Democratic Party of Serbs in Macedonia [FYROM—Former Yugoslav Republic of Macedonia], stated the following: "Parliament member Stoile Stojkov recently directly accused us of having specially trained military units, infiltrated from Yugoslavia and aimed to partition Macedonia. I deny this with full responsibility and can freely claim our party has neither weapons nor military units, and it does not wish to see Macedonia partitioned." He described this as an attempt to discredit the party and eliminate it from the political scene before the new elections. He stressed the party "does not plead for a military option in Macedonia, as we have lived in these territories for centuries, side by side with the Macedonian people." Enemies should not be looked for among Serbs in Macedonia, he pointed out. Everyone knows who the real enemies are, and should a war ever break out in Macedonia, the Serbian and Macedonian people will fight on the same side, Militic concluded.

Party representatives also spoke of mistakes in the census, pointing out enumerators failed to distribute bilingual census forms to a large portion of Serbs.

### Agreement on Food Trade Reached With Neighbors

*AU2507165494 Skopje MILS-NEWS in English 25 Jul 94*

[Unattributed report: "Special Transport"]

[Text] In order to facilitate a more efficient transport of agricultural and food products from Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] through Bulgaria, Romania, and Hungary to West European countries, Macedonia reached an agreement with transport authorities in these states for a special accelerated transport corridor. It is to start functioning as from 1 August, and will include simplified border-crossing procedures, enabling all transit formalities to be completed within two hours after trucks arrive at borders. This was stated by representatives of the Macedonian Customs and the Open Society Institute (Soros Foundation), who initiated the idea.

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## Federal

### Grachev: UNPROFOR Should Not Be Replaced

*LD2607102394 Belgrade TANJUG Domestic Service in Serbo-Croatian 0950 GMT 26 Jul 94*

[Excerpt] Belgrade, 26 Jul (TANJUG)—Russian Defense Minister Pavel Grachev and special Russian envoy for former Yugoslavia Vitaliy Churkin arrived in Belgrade this morning. The guests were greeted at Belgrade Airport by Yugoslav Defense Minister Pavle Bulatovic and Yugoslav Chief of General Staff Momcilo Perisic.

Grachev told reporters that he arrived following an order issued by the Russian president. Asked about his mission in Belgrade, Grachev said that he came to reveal the Russian standpoint in connection with UN Secretary General Butrus Butrus-Ghali's proposal to replace UNPROFOR [UN Protection Forces] soldiers in Bosnia with NATO soldiers.

"UNPROFOR should not be replaced in Bosnia," Grachev said. He added that NATO is not a peacekeeping organization and that only UNPROFOR can fulfil the peacekeeping mission in Bosnia. [passage omitted]

### Montenegro Separatism Seen as Key Issue

*94BA0352A Belgrade INTERVJU in Serbo-Croatian 24 Jun 94 pp 12-13*

[Article by Milan Nikolic]

[Text] In a republic where there are more secessionist parties than parties fighting for a joint state, and where the same thing is happening that happened on the eve of Yugoslavia's disintegration from Triglav to Djevdjelija, separatism cannot be a marginal issue, but must be central. Otherwise, we will be surprised once again.

In the shadow of the storm raised by Djindjic's statement about realignment of relations between Serbia and Montenegro, a soccer game was played in Cetinje, the capital of Montenegrin separatists, between the home team and visitors from Berani. As though these were athletes from an enemy country, not neighbors from the same republic, the police met the visitors and provided security; throughout the entire match the public chanted: "Hit the chetniks" and cursed their Serbian mothers.

Anyone whose memory is longer than his hair knows that the public manifestation of Yugoslavia's disintegration began in the sports stadiums, because it was easy to justify it all in terms of "irresponsible fans." Today, that separatist scenario is literally being reproduced in each segment, from the soccer match to Montenegrin statehood and sovereignty. Any issuing of a taboo, along the lines of this being a marginal thing, or this is not the time for "whipping up passions and sticking a needle in sound Serbian-Montenegrin tissue," will not alter reality by closing one's eyes to it, and the cost of waking up is something we well remember from the example of Yugoslavia. The reality is that the virus of Montenegrin separatism has infiltrated, and it is doing its job as slowly and surely as a carcinoma. After the Albanian movement, this is the most well-defined and strongest separatist movement in this country, and one day it could scatter the third Yugoslavia just as it scattered the first two.

What are the arguments to support such a bitter forecast?

Many people will be amazed to hear that there are more separatist parties in Montenegro than parties that favor a joint state. In practice, there are only two—Kilibarda's People's Party [NS] and the Serbian Radical Party [SRS]. There are incomparably more separatist parties. Best-known are Slavko Perovic's Liberals, Srdjan Darmanovic's Social Democrats, Dr. Sreten Zekovic's Federalists, and the Montenegrin Party of Budimir Perovic M.A. The position of the incumbent Democratic Party of Socialists (DPS) is ambivalent, because the same thing is happening within it as in all of Montenegro. By contrast with Bulatovic and Marovic, Montenegrin Prime Minister Milo Djukanovic is said to be the leader of the pro-Montenegrin current in the republic's leadership, and this is manifested in many moves made by the government.

#### The Zelenas Doctrine

Another piece of evidence that Montenegrin separatism is not a marginal "nothing," which is often the lecture read to the public, is that Perovic's Liberals alone took a sixth of the vote and became the third party in the parliament, right next to the People's Party, with only two deputies less. After the Liberals, in fourth place, come their ideological confreres, the Social Democrats. Given the hermaphroditic position of the incumbent Socialists, there is now a strong bloc in the Montenegrin Assembly that often imposes separatist topics, so that sessions of the parliament become a competition between the "Serbs" and the "Montenegrins."

When the receptiveness of the media is added to this, the Montenegrin public is constantly exposed to the "separatistic temperature." The talk about Montenegrin sovereignty and continuity follows the same scenario that was seen in Slovenia and Croatia, an independent Montenegrin state within AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] borders is demanded, and the Serbs and the Serbian occupation are the main opponent to creation of that state. The Liberal Ratko Velimirovic shouts in the Montenegrin parliament what formerly was heard in Racan's Croatian Sabor [parliament]: "Between freedom and occupation, I choose freedom." His leader, Slavko Perovic, makes a statement in London that Serbia is a burden around Montenegro's neck and that Montenegro is Serbia's hostage. Using the same formula with which Tudjman and Kucan convinced the world that Serbia represents the dark realm of communism and Bolshevism, and they the bright valley of democracy, Slavko Perovic is trying

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to convince the world public that Montenegro is in favor of the bright West, and Serbia in favor of the dark East.

"Belgrade," he says, "is waging a chauvinistic battle for territory in an imperialist and hegemonistic manner. They want to see territory subjected to thorough ethnic cleansing."

His elder brother Budimir Perovic, president of the Montenegrin Party, who advertises himself as a "Montenegrin nationalist of the defensive type," says that "Montenegro has been occupied by a Serbian occupation army for the second time in this century" and that therefore "Serbianism is the greatest enemy of Montenegro." Dr. Sreten Zekovic, leader of the Federalist Movement of Montenegro, joined Slavko Perovic in seeing "Yugoslavia as a prison of the people" (how familiar that sounds!) and King Aleksandar "the destroyer of Montenegro." Continuing the "Zelenas tradition," [the Zelenasi opposed unification of Montenegro and Serbia after World War I] Zekovic says in "Tudjman's style":

"The general Zelenas doctrine is that the policy of Serbian expansionism is the greatest and permanent (traditional) danger to Montenegro and its sworn enemy. During the disintegration of Yugoslavia, Belgrade caught Montenegro once again and prepared it for a new unification, to be followed by gradual annexation and complete Serbianization."

Following the same scenario that has been seen from Triglav to Djevdjelija, the separatists talk about Montenegrin state sovereignty, about their "Montenegrin language," about their autocephalous Montenegrin church, and about their army. Srdjan Darmanovic says that the Montenegrin Army is a "segment of Montenegrin statehood and independence," Budimir Perovic agrees, and he adds that Montenegro should protect the NATO treaty.

His brother Slavko, the Liberal, is constantly saying that they are a civil party that wants Montenegro to be a state of all its citizens, but he is on a permanent crusade against the Serbs in the aim of liberating the Montenegrin nation from the Serbian occupation and Serbian assimilation. He says that "Montenegrins have been taught to be Serbs," that "Serbism in Montenegro is a poetic phrase and romantic infatuation" and that "Serbianized Montenegrins are working to destroy Montenegro so that Belgrade can grab 140 km of the most beautiful coast in the world." The only time Slavko Perovic committed a lapse was when he wanted to win over the reporter of a German paper with a "European" comparison:

"Our attitude toward the Serbs can be compared to the attitude of the Austrians toward the Germans. It is true that we are Serbs, but we are Montenegrins first of all."

**Religion and Nationality Split in Two**

That separatistic bloc receives strong support from the "Zagreb Montenegrins" Jevrem Brkovic, Veljko Bulajic, and the team that is Tudjman's mailed fist against the Serbs. It is through them that the "Catholic connection" is made and the still more famous "Knights of Malta" connection, which produced the greatest spectacle of Montenegrin separatism—the Autocephalous Montenegrin Orthodox Church, for whose recognition they are working with the help of the Vatican and Prince Nikola Petrovic Njegos, a candidate for the royal throne of Montenegro.

After the ethnic identity of Montenegrins was split in two by the Titoist decree proclaiming the Montenegrin nationality, which was the first germ of separatism, the Autocephalous Church split the Montenegrin body along the second line of cohesion with the Serbs—religion. When the struggle also begins for the autocephaly of the "Montenegrin language," the separatistic process will be entirely complete, with murderous results.

There are two other essential facts that should not be forgotten in this process. The Albanians and numerous Muslims in this republic are also on the side of the separatists. Two years ago, the Democratic Forum of Albanians adopted the Memorandum on the Special Status of Albanians in Montenegro, which concluded: "The Democratic Forum is in favor of an independent and sovereign Montenegro." The second fact has much greater weight. As we said, the ambivalent attitude of the incumbent party has made a contribution in that many acts of the government have been encouraging the separatists. Thus, the Montenegrin Supreme Court quashed the decision of the Justice Ministry deleting from socially recognized organizations the so-called Committee for the Autocephaly of the Montenegrin Church. The authorities also dragged their feet in issuing the permit to build the seminary on Cetinje. After the new federal constitution was proclaimed, Serbia did away with its republic ministries for foreign affairs and defense, while Montenegro retained them.

Montenegro has been demonstrating its statehood and independence precisely through its foreign ministry and Minister Miodrag Lekic. He is not only the author of the statement that "Montenegro is not a Serbian state" and that "Montenegro was never a part of Serbia, and accordingly it can separate only from Yugoslavia," but also the author of certain specific moves. Minister Lekic, who likes to emphasize that when he flies abroad he departs from the airport in Tirana, rejoiced a year ago when Yugoslavia rejected the UN ultimatum to accept "observers" on the Drina. He said at the time that Montenegro accepted observers on its border with Bosnia. Mr. Lekic is the one who proposed Cetinje for the capital of Montenegro, which met with general enthusiasm on the part of the separatists, whose main support is in Cetinje, so that whenever any foreign statesmen arrived, the legitimacy of Montenegrin separatism would be confirmed. In the light of all these facts, one should hardly be surprised by the cloudburst of separatism in Montenegro. In just two years, there have been more secessionist incidents in this republic than

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during 80 years of Montenegro's life in Yugoslavia. It all began in August 1992 in Budva at the "Mediterranean Song Festival," where "Viva Montenegro" and "Viva Duce" were shouted in Italian. Using that foreign name for their state would become the trademark of Montenegrin secessionism. Since that time, there have been so many incidents that their number and description exceeds this newspaper's space. Those which are best-known are the scandals with the visit of Ecumenical Patriarch Bartolmej, the Russian Aleksey II, the insults and defenses addressed to Patriarch Pavle, Metropolitan Amfilohije, and the Serbian Orthodox Church, all the events related to the Autocephalous Church, interruption of the meeting of Njegos scholars, and the attack on President Bulatovic. Quite a few of those incidents involved physical attacks and firearms, but every major demonstration took place in the presence and with the security of the police.

**National Self-Organization**

What happened to Serbian tourists on the Croatian coast on the eve of Yugoslavia's disintegration is now being repeated on the Montenegrin coast. Again, schoolchildren and tourists from Serbia are being beaten, and the government uses the "Croatian" explanation that these are unruly young people, not outbreaks of nationalism, even when a high school student from Budva said in a television poll that if he had $100 million, he would buy Budva and drive out all the Serbs. Just as athletic teams from Serbia could not visit Croatia at one time without the most vulgar nationalistic outbursts and insults, so now no teams can visit Cetinje from Serbia, Berani, and Niksic without banners reading "This Is Not Serbia," "Montenegro Will Never Be the Shore of the Serbian Sea," and "Viva Vero Montenegro."

The predominance of the "Montenegrin" over the "Serbian" political parties and the actions of the government have resulted in a specific phenomenon: The people themselves have begun to organize against the separatists. The Vasojevici Conference, the Zeta Conference, and the Boka Conference have been established by self-organization. The Vasojevici have this message: "We will defend the unity of the Serbian people by every means, including the force of arms. If anyone attempts secession, or if the government continues to behave this tolerantly toward the Liberals and their ilk, we will proclaim the autonomy of Vasojevici and reserve the right to secede and join Serbia." The Boka Conference concluded that "Kotor Bay will always be in one state with the rest of the Serbian people," while the Zeta Conference is still clearer: "If anyone attempts to split off our people, Zeta will join Serbia."

For all the similarities of Montenegrin and Yugoslav secessionism, this phenomenon constitutes an essential difference between "Montenegro" and "Triglav-Djevdjelija" separatism. Slovene, Croatian, Muslim, and Macedonian secessionism was a parting of nationalities, disintegration of their community. Montenegrin separatism is the disintegration of one and the same nationality. Even if it were proven that it is not a Serbian people, but a separate Montenegrin people, that secession would take place within that people that has been unfortunately split into two, and that would make it all the more difficult and terrible. This certainly would not be a disaster for Serbia, but it would be a disaster for Montenegro, because in that outcome it would not remain what it is now. Neither in terms of people nor in terms of geography.

Playing with secessionism is like playing with fire. The price is always bloody. That is why Montenegrin separatism must not be a taboo topic at all. It must be an authentic topic so that we are not surprised once again as we were when Yugoslavia fell apart.

## 'Oganj' Multiple-Rocket Launcher Characteristics

*94BA0351A Belgrade NOVI GLASNIK in Serbo-Croatian Sep-Dec 93 pp 45-51*

[Article by Lieutenant Colonel Mustafa Mujezinovic, M.A.: "The 128-mm M77 Self-Propelled Multiple-Rocket Launcher 'Oganj'"]

[Text] The "Oganj," the Yugoslav-made self-propelled 128-mm multiple-rocket launcher [VBR] designated as the M77, is a modern and effective artillery piece whose main characteristics are the ability to deliver sudden fire strikes against surface and group targets, its high effectiveness against large-size targets, and its high mobility.

Since the end of World War II the development of weapons has paralleled development of the doctrine governing the use of armed forces. Over the last three decades the great powers, especially the United States, have developed, adapted, and retained the basic concept of so-called mobile operations. Today, that concept is formulated in terms of the introduction of the operational-maneuver group and the air-ground battle, which are having a considerable impact on development of operational and tactical requirements that must be met by artillery fire support, and the consequence is the creation and realization of projects and plans for rearming armies with more efficient artillery systems for fire support. This in turn has had the result that new and up-to-date models of multiple-rocket launchers are coming into operational use.[1]

**Keeping Up With the World**

The development of the M77 128-mm self-propelled multiple-rocket launcher [SVLR] "Oganj" began with the technical and economic analysis done and adopted in 1968, and it lasted until 1977, when the decision was made to include it in armament. Series production began in 1980. A prototype was demonstrated for the first time in a military parade in 1975. It belongs to the second generation of this type of weapons in our country (the first generation was the VBR "Plamen").[2]

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The M77 128-mm SVLR "Oganj" resulted from an effort over several years by a large number of Yugoslav experts with immense experience who have given artillery units up-to-date and impressive rocket launchers. The "Oganj" has gone through all the design phases—from the general concept to realization and adoption in armament. This is an automated recoilless artillery gun with a respectable firepower. The self-propelled version was developed with the FAP-2026 BDS/A, which was fitted with a special platform and mechanism for blocking the vehicle's spring system. It falls in the category of modern artillery rocket systems for fire support of ground force units.

The vehicle's bed carries and links together all the gun's main assemblies. Stabilizing legs are used to block the vehicle's system (tires and springs) during firing. The launcher with 32 launching tubes in the launching device is installed at the rear end of the bed. The loader and reserve ammunition are installed in the space between the launcher and the vehicle's cab.

This design of the gun (two charges—one in the launcher, one in the loader), along with the automation that has been introduced, makes it possible to launch rockets (32 from each load) in just six and a half minutes from the same firing position.

On the bed of the truck, the gun has a cover which camouflages it and protects all the main assemblies from the weather (rain, snow, fog, wind, and so forth). When the cover is mounted, the gun looks like any other truck. The operation of raising the gun's cover to the transport position and folding it into bundles beside the vehicle's cab (combat position) have been partially mechanized.

Every development of a new system of weapons is preceded by development of tactical and technical requirements which designers must meet in the design process. Meeting them is crucial to deciding whether the main characteristics of the weapons system designed will meet the conditions of contemporary combat.

**The Design Solution**

The combat requirements, operating requirements, and manufacturing requirements were defined for the M77 128-mm SVLR "Oganj."

The following essential characteristics were optimally defined for combat requirements:

(1) the effect of the rocket on the target;

(2) maximum range;

(3) firing precision and accuracy;

(4) rate of fire;

(5) mobility (operational and tactical); and

(6) the gun's robustness.

The design solution of the M77 128-mm SVLR "Oganj" differs considerably from the M63 128-mm VBR artillery pioneer "Plamen." Although it has the same number of launching tubes and the rockets are of the same caliber, in everything else "Oganj" differs from "Plamen." ("Plamen" relies on manual operation of the launching device and conventional artillery procedure in the control of artillery fire; in the "Oganj" this is done semiautomatically or automatically. This is the result of the increasingly acute requirements with respect to mobility, reduction of the time necessary for preparation and rapid abandonment of the firing position after fire has been opened, and so forth.)

The assemblies, subassemblies, and other components of "Oganj's" automatic equipment are not built in as functional entities, but are built into the bed of the vehicle, the launching box, the loader, the stabilizing legs, and also in the vehicle's cab.

Elements which functionally belong to different subsystems bring together the following components and subassemblies of the automatic equipment:

(1) control panel;

(2) box for automatic equipment of the stabilizing legs and loading—KASIP;

(3) box containing the automatic equipment of the servos and machinery—KASIM;

(4) power supply box;

(5) battery and weight distributor;

(6) feedback;

(7) junction box for leveling;

(8) junction box for reserve charge—loader;

(9) junction boxes for the stabilizing legs;

(10) electrical control box;

(11) electric trigger;

(12) winder;

(13) ammeter and voltmeter panel;

(14) radio;

(15) heat exchangers—heaters;

(16) battery charger;

(17) cradle cables;

(18) limit circuit breakers; and

(19) electric motors.

The design characteristics and tactical and technical characteristics of the automatic equipment of the M77 128-mm SVLR "Oganj" allow rapid, safe, and accurate

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functioning of the stabilizing legs, leveling, determination of elevation and direction, power supply to the loader, and operation of the launching device (trigger).

**The subsystem of the stabilizing legs to block the flexible system** is designed to eliminate the influence of the vehicle's flexible system (tires and springs) during firing and loading the launching box from the reserve ammunition. The automatic subsystem of the stabilizing legs controls operation of four electric motors when all four stabilizing legs are being lowered so that they exert a force against the ground within the limits of 1,400 (+ 300, - 200) dN [decinewton]. It also controls operation of electric motors in raising the stabilizing legs back to the traveling position. The operation of the automatic equipment affords a time of less than 18 seconds for lowering the stabilizing legs to the maximum position. When the electric motor of one stop is in motion, the strength of the current from the battery is as high as 200 A [ampere]. Because of these current loads on the battery, the automatic system staggers the starting of the stabilizing legs in order to prolong the operating life of the battery.

**The subsystem for setting the slope** (elevation subsystem) is designed to operate the launcher's launching box in the vertical (elevation) and to position it as desired. The automatic equipment of the elevation subsystem controls operation of the electric motor for elevation, which through mechanical connections moves the launching box in the vertical, bringing it to the desired position in the semiautomatic or automatic type of operation. Thanks to the sensitive servomechanisms of the automatic equipment of the elevation subsystem, the error in vertical positioning of the launcher is less than +/ - 1.5-thousandths, and the total error in the vertical (leveling and elevation) is less than +/- 3.5-thousandths. It takes less than 70 seconds to achieve the maximum elevation (0-00- to 8-50-thousandths).

**The subsystem to set direction** (azimuth) is designed to move the launching box in the horizontal (azimuth) to the desired position. The automatic equipment of the subsystem for horizontal position controls the operation of the electric motor for horizontal movement, which through machinery moves the launching box horizontally, bringing it to the desired position in an automatic or semiautomatic mode of operation. The range of operation of the servomechanism relative to the traveling position is +/- 32-00-thousandths, and the time necessary to position the loaded launcher from the position 0-00 to the position 32-00 is less than 45 seconds.

**The leveling subsystem** on which the launching box is installed is designed to level the bed to bring it into a horizontal position. The automatic subsystem for leveling controls the operation of the leveling motor, which through machinery levels the bed in two horizontal axes—the transverse x-axis (transverse leveling) and the lengthwise y-axis (lengthwise leveling). The automatic system of the servomechanism of the leveling subsystem was designed so that each mechanism levels in its own axis without influence of one on the other. The range of leveling is limited by the design of the mechanisms of the leveling bridge, as follows: for maximum slopes of the bed and load +/- 6 degrees in the longitudinal and +/- 10 degrees in the transverse. More precisely: the leveling subsystem always provides the same initial conditions for operation of the elevation and horizontal subsystems regardless of the allowed slopes of the terrain (subject to the constraints referred to). This simplifies the automatic equipment of the elevation subsystem, guaranteeing a correct pattern of hits in the area of the target. Leveling time (both axes) is less than 20 seconds, with an error of the leveling mechanisms of +/- two-thousandths.

**The reserve rocket charge in the launcher** carries a reserve load of rockets, affording semiautomatic loading of the tubes of the launching box in a time less than 200 seconds. The reserve charge from the loader makes it possible to launch two loads (of 32 rockets each) in a time interval less than six and a half minutes from the same firing position.

**The launching subsystem** is designed to launch the rockets from the tube of the launching box. The electronic equipment of the launching device (trigger) provides the trigger pulses to fire the rockets. The amplitude of the pulse is within the limits of 7 to 10 V [volt], and the duration of the pulse is 50 ms [millisecond]. The minimum time between pulses is 600 ms, that is, the time between launchings in a salvo, that is, the minimum time between launchings in burst firing, while the minimum time between launchings in salvo firing is 600 +/ - 60 ms.

**The power supply subsystem** provides electric power to operate the electric motors and furnishes different voltages to operate the electronic and electromechanical assemblies of the automatic equipment. Power to operate the automatic equipment comes from two 12-V lead storage batteries connected in series, which represent a storage battery with a rated capacity of 200 Ah [ampere-hour] and a rated voltage of 24 V. The storage battery is not in constant use, but operates only for a short period of time. The automatic equipment is able to operate when the voltage range of the storage battery is from 18 to 32 V. It is not recommended to operate at voltages below 21 V.

**The fire control system** is based on conventional artillery procedure with the possibility of taking given firing elements after the launcher is first oriented in space.

### The Destructive Effect of the Rockets

By contrast with the conventional source of energy from gunpowder to propel the projectile with exhaust gas, the SVLR rocket "Oganj" has jet propulsion. The projectile has all the features of artillery ammunition, because it is

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made up of elements entirely characteristic of ammunition of a rocket weapons system: a projectile with the necessary elements for movement and stabilization of flight and elements for operation against the target.

The "Oganj" rocket is a jet-powered projectile which travels on a ballistic trajectory thanks to kinetic energy received from the rocket engine on the short "active part" of the trajectory. The trajectory is determined in advance by the propellant charge and the elevation of the launcher, and in practice does not differ from the trajectory of conventional artillery projectiles. The rocket engine is used to move the rocket from the launching tube, accelerate it, and maintain stability of flight along the trajectory. There are four folding fins on the rocket's nozzle to stabilize the rocket on the trajectory and four aerodynamic brakes which are used to fire at ranges less than the maximum range, in order to improve the pattern of hits as to range.[4]

The M77 128-mm high-explosive instant-action rocket, which operates against the target with a warhead whose function does not differ in principle from the function of conventional projectiles, is used for firing from the M77 128-mm SVLR "Oganj." The weight of the rocket is 67.10 kg, and the weight of the warhead 19.53 kg. The hollow of the warhead is filled with 2,562 steel balls weighing 103 grams and 430 balls weighing 443 grams, cast in plastic. The rocket has a maximum velocity of 750 meters per second, with 380 rpm at the muzzle and 960 revolutions per minute at the end of the active phase of the flight.

Thanks to the external and internal configuration of the warhead, maximum effects can be achieved against the target. The dimensions of the funnel (diameter and depth) in operating against the target are 210 x 35 cm, and the number of pellets per square meter depends on the radius of the casualty-producing effect, expressed in meters. The area of the casualty-producing effect, expressed in hectares, is 4Vp x 4Vd, that is, 67.6 percent of the rockets.

The values of the spread of the 128-mm rockets are considerably higher than the spread in conventional artillery fire. Just as in conventional artillery, the average (probable) deviation in range (Vd) and in direction (Vp) is taken as the measure of the spread of the rockets. The reasons for the spread are not the same in the active and passive parts of the trajectory of the rocket's flight.

The main causes of the spread lie in the strength and direction of the effect of the thrust, the unequal (nonuniform) aiming of the launching weapon in the direction of the target, the vibration and recoil of the launching weapon, difference in the shape and weight of the rocket, unequal aerodynamic eccentricity, and changes in weather conditions. To achieve the desired success against the target, a large number of rockets are launched as a rule in a burst at intervals, that is, at a rate of fire of two rockets per second.

In addition to the standard conventional warhead installed in the rockets, the combat complement also includes a 128-mm rocket with a cluster warhead in two versions: one containing little bombs and the other containing antitank mines to create an obstacle. The cluster warhead containing little bombs contains 48 little bombs which have a piecemeal (pellet) effect and a cumulative effect on a surface of about 1.1 hectares, by contrast with the conventional high-explosive instant-action warhead, which operates against an area of 0.36 hectare.[5] The cluster warhead containing antitank mines contains four mines whose basic purpose is to set up an obstacle against tanks.

To conclude: The M77 128-mm self-propelled multiple-rocket launcher "Oganj," although it does not belong to the most recent generation of the world's multiple-rocket launchers (MLRS, FIROS, RAFAL, SMERCH), is a modern and effective artillery weapon. As a weapons system, it has the capability of delivering surprise fire strikes against surface and group targets, it has a relatively high impact in operating against large-size targets in a short time, and high mobility, which essentially diminishes its sensitivity to the action of artillery and air power. The M77 128-mm self-propelled multiple-rocket launcher "Oganj" is designed for surprise and concentrated attacks against firepower, personnel, moving convoys, headquarters, landings, transportation junctions, communications centers, airfields, ports, warehouses, garrisons, and other similar targets deployed at sizable depths in the enemy combat deployment. In a tactical sense, this artillery system is used for rapid and strong interventions along the main lines of an attack. It gives units considerably greater firepower, which makes it possible for them to operate rapidly and powerfully, which provides maximum realization of the unity of fire and movement.

**Footnotes**

1. The following comparison might be made as an example of the growing importance of multiple-rocket launching systems: One battery with eight SVLR "Lars-2" launchers fires 288 nonguided rockets in 18 seconds. For a fire strike of the same strength, conventional artillery needs 16 batteries (18 guns in a battery), and we should mention that it is unfeasible in practice to concentrate that number of guns against a target with a larger area.

2. "Oganj" was developed by the Ground Forces Military Engineering Institute, and the principal manufacturers of the various components were as follows: Bratstvo (Novi Travnik) the gun; Rudi Cajavec (Banja Luka) the gun's automatic equipment; FAP (Priboj) the vehicle; Pretis (Vogasca-Sarajevo) the rocket; Slobodan Princip Seljo (Vitez) the rocket fuel; and Krusik (Valjevo) the fuze.

3. [Not included in this translation]

4. Jet propulsion is motion caused by the effect of the force of reaction resulting from expulsion of a gas jet

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created by combustion of the fuel in the chamber of the jet engine. A rocket projectile has its own propulsion group—the rocket engine with fuel spent in the so-called active part of the trajectory. In the rocket engine, chemical energy of the propellant is turned into the thrust necessary for its motion. The thrust of the M77 128-mm rocket engine is 2,416 N [newton].

5. One battery of six "Oganj" launchers delivers against the target with its two loads about 1.5 million pellets, that is, about 7.7 metric tons of steel and explosive.

### 'Alternative' Economic Program Prepared

*94BA0349C Belgrade VREME in Serbo-Croatian 27 Jun 94 pp 10-11*

[Interview with Dr. Tomislav Popovic, director of the Economic Sciences Institute in Belgrade, by Dimitrije Boarov; place and date not given: "A Program in Reserve"]

[Text] *Just when the top level of government judges that the Avramovic program is yielding excellent results, Dr. Tomislav Popovic, director of the Economic Sciences Institute in Belgrade, announced that his team was preparing an "alternative program" that will soon be offered to economic policymakers. This announcement evoked surprise and met with more suspicion than even the harshest criticism of the current program. That is why we began our interview with Dr. Tomislav Popovic with a question of what kind of alternative program this is.*

[Popovic] The term "alternative program" is in part for marketing, it is possibly too pretentious. What we are actually offering is an update of our stabilization and social programs we have been working on from February 1992 to the present day. We have not renounced the strategic directions of those programs, we have only adapted them to the altered circumstances. There is now the key new circumstance that a clear monetary authority exists, and it has provided relative monetary stability. Another new circumstance is that the government seems to have committed itself to sound money, and we think that the achievements brought about by that commitment should not be put in jeopardy.

Our "alternative program" is actually a "program in reserve" whose purpose is to keep us from slipping back into a state of chaos or moving into a social explosion because of certain retrograde illusions, mistakes, or vanities. That is the function of our alternative program, and I think that anyone who reads it in good faith, and Governor Avramovic should also read it in that spirit, can see it only as a source of ideas, solutions, and strategic options. It nevertheless makes it possible to move from one program to another which will be put on the agenda.

I must emphasize in all of this that the problem of stabilization will be a standing topic in still more complicated and complex situations to the end of the decade, to the end of the millennium, if we are lucky enough and smart enough. That means that we must become accustomed to being forced to constantly go from one program to another, and that we will constantly have to seek alternatives and backup programs. Nor is it a question of "tearing down Avramovic's program," because it has achieved precisely what we were looking for.

[Boarov] Nevertheless, you yourself have spoken on several occasions about differences between what you offered as a member of your team of experts, what was called for at the beginning, and what has been done.

[Popovic] When it comes to differences in views, I would first single out the question of the fixed exchange rate of the dinar as the main anchor. That fixed rate was very valuable at the beginning of the anti-inflation operation, in the first period of between three and six months, but it is not indispensable. What Dr. Avramovic did in the narrow segment of money and the exchange rate was done masterfully. However, if things are viewed more broadly, in the framework of the matrix of the entire macroeconomic strategy, hanging on to a fixed exchange rate for a lengthy period of time is an introduction to disaster.

If we skip for the moment the question of shaping an inefficient economic structure, which is necessarily formed by a fixed rate, which, again necessarily, quickly becomes erroneous, then the first question to ask is why a very scarce resource like foreign exchange reserves is being exposed not only to direct pressure, but in fact open to such a degree to world scrutiny that everyone can accurately calculate how long Yugoslavia can hold out?

I think that even the liberalization of the sanctions to some extent, which in practice has occurred, means that someone has realized that in a situation in which we are exporting at 40-percent lower prices and importing at 40-percent higher prices than those which are normal is a kind of trade that will exhaust this country in the long run and empty foreign exchange reserves. This government may be in power tomorrow, or it may be some combined or new government, but everyone will face the same trial, the same challenge—everyone will face some dictate without foreign exchange.

I mention this only as a possibility, but other harmful consequences of lengthy maintenance of a fixed exchange rate of the dinar are inevitable. We favor a fluctuating parity that would be defended with operations on the open market. An overvalued dinar simply signifies an orientation toward expensive exports, with the baggage of high costs, and with no prospects of any kind of earnings, because we cannot sell those costs on the world market. On the other hand, an expensive dinar, because imports are cheaper, drains off scant foreign exchange reserves of the state, the economy, and the public, and it is already evident that they must be rescued by various administrative restrictions and import restrictions.

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[Boarov] What you are talking about in practical terms is a return to the world market, on which your institute recently published a study, although the sanctions are still in place?

[Popovic] We cannot wait for removal of the sanctions with folded arms; there are extremely complicated jobs awaiting us. Incidentally, we will soon organize a round-table debate on this in the institute.

Our insistence on the question of the fixed exchange rate is also related to the return to world competition. You know, an administratively fixed exchange rate and that market rate, which is now cropping up in the form of illegal scalping, cannot exist side by side for a long time. When the gap between these rates gets wider, and the gap is maintained for a year or two, it is projected into the economic structure. The later you react, the later you begin preparations for normal market competition in the world, the more painful will be the subsequent devaluation or series of devaluations. That destroys the portion of the economic structure shaped on the basis of the fixed rate of exchange. And in spite of the general scarcity of capital and investments, you have to liquidate everything that has grown up on an erroneous computation of competitiveness. From that standpoint, we dispute the concept of a fixed exchange rate that lasts for a long time, along with full appreciation of the risks that come from a fluctuating rate in our situation. And that is above all the risk of starting galloping inflation. However, we feel that that danger will be avoided if the money supply is well-controlled and if all the parameters are measured properly (from the interest rate on down).

Exaggerating a bit, I would associate the concept of the fixed exchange rate with the philosophy of isolationism. It is not a question of political reflections that do not have specialized underpinning; this is simply world experience.

[Boarov] Is that philosophy of isolationism, which the world sanctions are, of course, encouraging, also a burden on debates about how to "invigorate production"?

[Popovic] We are now in a paralytic state. Prices are extremely high compared to West European standards and the purchasing power of the population. But at the same time, they are extremely low when it comes to covering the costs of enterprises, the costs of earnings, taxes, imports, and also the costs of redundant employees who are not working, but are getting paid. At the same time, interest rates are said to have been driven down, but in actuality they have not been, when we look at various add-ons in banking. From the standpoint of the economy's capacity, the interest rate is terribly high, but from the standpoint of the banks, it is not enough to cover various mistakes, inefficiencies, and burdens of various kinds. We have a similar paradox with income and pensions—they are too high as a cost of the economy, but too low from the standpoint of the cost of living.

That paralytic state cannot be detached from the dominant basic orientation toward a policy of social peace. This stabilization policy is based on the idea of preserving the social peace. And that basic philosophy has led us to this point, along with the sanctions and the former Yugoslav market. That philosophy of preserving social peace first put the country into recession, stagnation, in the eighties. That basic philosophy, in my opinion, can be withstood provided this mess with Yugoslavia, with Bosnia, lasts only a short time longer, say, another month, two, or three. Then we need to close our eyes, not undertake a severe economism, not expose ourselves to the risk of any eruptive internal processes.

However, if we are at the beginning of a cycle of disturbances, then the philosophy of preserving social peace is a horribly dangerous philosophy. And it is my assessment that we are at the beginning of a cycle of disturbances in the region, in the Balkans, in central Europe. And the state which first stabilizes itself on economically stable foundations and normalizes relations with the outside world, at the price of social tensions and upheavals, will have great advantage over its rivals.

This means that if we are at the beginning of a series of disturbances, then the philosophy of buying social peace at any price will lead us to disaster. We will have an exhausted economy, an economy that has no foreign exchange and is technologically backward. In that case, where will we end up with the present basic philosophy of preserving social peace at any cost?

## Problems With Government Wheat Harvest Plan

*94BA0344A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 20 Jun 94 p 12*

[Article by V. Stevanovic: "The Harvest: A Surplus Is (Not) a Headache"]

[Text] Two weeks before the beginning of this year's harvest, the fate of the grain, which will be harvested from about 900,000 hectares of plowland, is still uncertain. Weather conditions this year have helped to make a crop that by all estimates will be 15 percent larger than last year (3.45 million metric tons are expected), which has put the authorities in a stressful situation. Because of the stocks carried over from last year, but perhaps still more because of the intention to finance this year's purchases from real sources, officials are in a bind: Should they rejoice at the new wheat or curse it?

### We Do Not Have the Money

The estimate is that after the harvest there will be about 3.9 million tons of grain in silos. Taking into account steady domestic consumption, this year's marketable surpluses will range at about 1.8 million tons of wheat. Buying that quantity of grain will require between 320 and 360 million dinars, depending on the base price used in the sales transaction. Judging by what we heard in

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recent meetings in the Economic Chamber of Serbia and Agrobanka, where the Cooperative Alliance of Yugoslavia held its assembly, that money simply does not exist. The state, probably for that very reason, is giving up its monopoly on purchases this year. Plans called for commodity reserves directorates to buy 450,000 tons of wheat (Serbian wheat 400,000, Montenegrin 50,000), and all remaining quantities would be left to the market.

Milling organizations and export-import firms would be potential buyers. The trouble is that the former seem to have been financially plundered (Slobodan Trifunovic, Zitokop of Novi Sad: "We have been the custodians of social peace and the standard of living. Our prices were the only ones frozen. We have no money."), and the latter will hardly find an economic interest in exporting wheat. Even if they manage to break through the international blockade, wheat prices on world markets are weak. Recent figures from grain exchanges show a mild increase in the price of wheat, but prices are far below the support price in effect in our country at the moment. The federal government prescribed a support price of 18 para per kilogram, Dragisa Sljivancanin, president of the Cooperative Alliance of Yugoslavia, has officially announced the assessment of that association that the support price ought to be at least 25 para per kilogram, leaving open the possibility that the optimum price for private producers, who as a rule have smaller plots and yields, would be 29 para per kilogram. At the moment last year's inventories are being offered on the market as low as 15 para per kilogram, but there is no demand at all.

The world price of wheat varies between $90 and $95 per ton, not including export costs. When they are deducted, and they are horribly high (especially for domestic rail transport), a kilogram of wheat can barely bring 10 pfennigs. No one is even thinking about export incentives financed from the budget—there is no money for that.

**Paying Taxes With Wheat**

Whoever the buyer is, the state or someone else, the problem remains of how payment is to be made. To be sure, it has been defined and seems to have been accepted by the peasants, but that is as far as it has gone. The plan is for purchases this year to be paid for in three installments so as to avoid last year's hyperinflationary experience. The first installment of 30 percent of the value of the wheat purchased would be paid in "cash" or into an account, depending on who is selling the wheat, and the other two of 35 percent each would be paid in 30 and 60 days. This delayed payment would take place through savings accounts (for private producers) or in the form of securities with an exact maturity date. The interest at the outset would be 9 percent per annum.

The problem is that real funds have not been furnished even for this delayed purchasing. Ivko Djonovic, minister for agriculture in the Serbian government, remarked at a meeting in the Economic Chamber of Serbia that an agreement has not yet been reached on how the financing would be done with the National Bank of Yugoslavia [NBJ], but the point of departure in making the model was that the purchasers would provide 30 percent from their own funds and the commercial banks would match them for the rest. The latter, if one is to judge from what we heard in the Assembly of the Cooperative Alliance of Yugoslavia, do not have the credit coverage for that. The idea of removing the legal reserve requirement for the banks, which is the last instrument the NBJ possesses, is seen as a partial solution, both because of the modest financial effect (about 50 million dinars at the level of the entire commercial banking industry) and also because of the risk which this move inevitably involves. Djonovic, it is true, has said that a barter system is planned (wheat for diesel fuel, fertilizer, agricultural machines) as well as the possibility of using grain to pay obligations to the state, in order to reduce the size of the share of the financial pie that the commercial banks would have to furnish. In this case, the banks would have to furnish only 57 million dinars for purchases in July and August, but it remains to be seen who will cover the expenditure for fuel, fertilizer... and how this will be done, and for that matter who will provide money for purchases to the impoverished mills.

In the present price relations, according to Bozo Mitrovic of the agricultural cooperative in Kikinda, 27 cars of grain would have to be "delivered" for one combine, while last year, with hyperinflation, it took only 18 cars. If that is also the case with diesel fuel and fertilizer, the peasants will do just fine. Certain announcements that diesel fuel would be exchanged for wheat in a ratio of 1:8 were well-received by the farmers, assuming there is fuel in the first place. The Serbian minister for agriculture has announced that 40,000 tons of diesel fuel for farm operations have been provided for in the physical balance, with half of the planned quantities being delivered during July. The first amount of 15,000 tons is supposed to be at stations beginning on 20 June, and the remaining 5,000 tons will be delivered by 15 August. That is a bit late for harvesters, but it is hard to believe that with the main job for this year approaching the farmers will sit on their hands waiting for the state to provide them the fuel they need.

If the announcements that there will be no problem with fuel are borne out, there still remains the problem of how to store the harvested wheat in the silos. Serbia has storage capacity of about three million tons of grain, but because of last year's inventories, it is already loaded to some extent (the estimates vary from 30 to 50 percent). In any case, if the storage capacity is to be optimally utilized, the grain will have to be transported, and, at the rail rates at the moment, that is going to be a bit difficult. Those rates are 40 percent higher than the rates in the European countries for the same service. Minister Djonovic promised that there would be a drop in the rail rates for wheat, and we must take his word that that will be the case in view of the government's power in this area.

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## Livestock, Meat Production Declining

*94BA0344C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 20 Jun 94 p 22*

[Article by V. Stevanovic: "Livestock-Raising: Systematic 'Slaughtering' of Production"]

[Text] The popular thinking of certain politicians here to the effect that the sanctions cannot hurt us "as long as we have bread and meat," of which according to them we do not have a shortage, is fallacious on at least one basis. That is, there is less and less meat. In the last four years, domestic livestock production has been declining at an annual rate of 7.2 percent, and the official assessment is that that trend will continue this year, but intensified: The estimate of the Federal Ministry of Agriculture is that the decline of production in livestock-raising in 1994 will be about 15 percent of last year.

**Dwindling Livestock**

*(table shows number of head of livestock in FRY from 1965 to 15 January 1994, in thousands)*

| Year | Cattle | Swine | Poultry | Sheep |
|---|---|---|---|---|
| 1965 | 2,298 | 4,362 | 15,515 | 4,561 |
| 1975 | 2,832 | 4,717 | 24,673 | 3,461 |
| 1985 | 2,434 | 5,093 | 25,344 | 3,144 |
| 1990 | 2,168 | 4,325 | 29,907 | 3,007 |
| 1991 | 2,097 | 4,354 | 30,213 | 3,044 |
| 1992 | 1,975 | 3,844 | 26,038 | 2,715 |
| 1993 | 1,991 | 4,092 | 23,283 | 2,752 |
| 1994 | 1,809 | 3,693 | 22,107 | 2,635 |

All the relevant indicators of the situation in animal husbandry, from the number of head, livestock feed production, price relations, and meat, milk, and egg production and consumption, indicate that this industry is in a serious crisis. An analysis done by the Agriculture Association of the Economic Chamber of Yugoslavia concerning the situation in animal husbandry states directly that last year there was increased slaughtering of young livestock, thereby reducing, and in some cases even destroying, the main breeding stock and thus losing the genetic potential. Given the length of the production cycle in livestock-raising (three to five years), it is clear that the consequences of last year's slaughtering will be felt in coming years as well. That is, there will be meat, but apparently not enough to go around.

The list of the adverse circumstances which have brought about the gloomy situation in domestic animal husbandry is lengthy: from unfavorable relations in price parities, which have resulted in economic losses in livestock production, to shrinking of markets because of the country's disintegration, the international blockade, and the drop in the purchasing power of the population here. Whereas these were difficulties "carried over" from the earlier period, last year animal husbandry was especially hurt by direct price controls on milk, meat, and meat products, and during one period they even applied to livestock. When we add to this the problems with livestock feed, especially the imported components and their price, hyperinflation, and the demise of all the functions of farm policy and the farm budget, it is logical that there should have been a drastic drop in livestock production.

The trouble is that the environment has not changed essentially this year either. The "ratio indexes" in livestock-raising which have become constant in our country—for corn:soybean meal:fishmeal:baby beef they are 1:2:4:8.5:10 [as published]—have been altogether disrupted under the conditions of the blockade, and there is little prospect of correcting it this year through support prices. Animal husbandrymen are continuing to point out that the cost price of livestock is still higher than the support prices, so that they are driven into direct losses. The fact that the Serbian budget has provided the amount of 103.8 million dinars for recovery and growth of livestock production was publicly praised at a recent meeting of the Agriculture Association of the Economic Chamber of Yugoslavia, but on that same occasion it was also stated that it is unrealistic to expect a drop in the prices of livestock products unless the prices of imported protein nutrients, prices of fuel, and prices of parts for equipment on livestock farms are brought to a more acceptable level.

At the moment, there are no major imbalances between supply and demand on the livestock and meat market, but that equilibrium has been established at a low level. The estimates of the drop in livestock production of 15 percent for this year means in structural terms a 10-percent drop in beef production, 20 percent for pork, 18 percent for poultry meat, 16 percent for milk, and 15 percent for eggs. This reduced output will afford annual per capita meat consumption of 31.8 kg. Because just two years ago the consumer power of the domestic market was about 58.8 kg of meat per capita, it is clear how "lean" 1994 will be. Incidentally, last year, the hyperinflationary year of 1993, Yugoslavs ate 37.8 kg of meat on the average.

Within the 6,274 million hectares of farmland in the FRY [Federal Republic of Yugoslavia], meadows constitute 12 percent of all areas planted, and pastures 21 percent. Feed crops, the basic stock feed, are raised on areas of about 500,000 hectares (7.9 percent of plowland), and industrial crops which yield a sizable amount of livestock feed, are planted on 5.6 percent of all the area planted. The number of cattle per hectare of plowland and natural range in our country amounts to 0.36 percent, while in France it is 0.72 percent, not to mention Holland, with an unattainable 2.4 percent. We undoubtedly have the natural potential for development of livestock-raising, and we love to eat meat. Provided only there is any. The present demand is in line with the supply, but in early May a new rise in the prices of meat and meat products was noted following several months when they held steady. If the otherwise modest consumption increases, and something goes to export in spite of the blockade, it could easily happen that the small supply of

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meat would nevertheless not meet demand. The mild rise of prices in May does not sound good.

[Box, p 22]

**The Slaughterhouses Are Lagging Behind**

In the first three months of this year 27,350 tons of meat were produced, or 31.7 percent less than in the same period of 1993. The greatest drop was in the production of pork (42.7 percent), but production of beef and veal was slightly higher (2.9 percent). A drastic drop in production was noted in dried meat products (69 percent) and pasteurized and sterilized milk (43.3 percent), while the production of livestock feed was cut in half: Feed with vitamin and mineral additives was down all of 72 percent. All the figures are for the period January-March of this year, compared to the same period of 1993.

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